LABOUR PROGRAM

Workplace gazette

An Industrial Relations Quarterly

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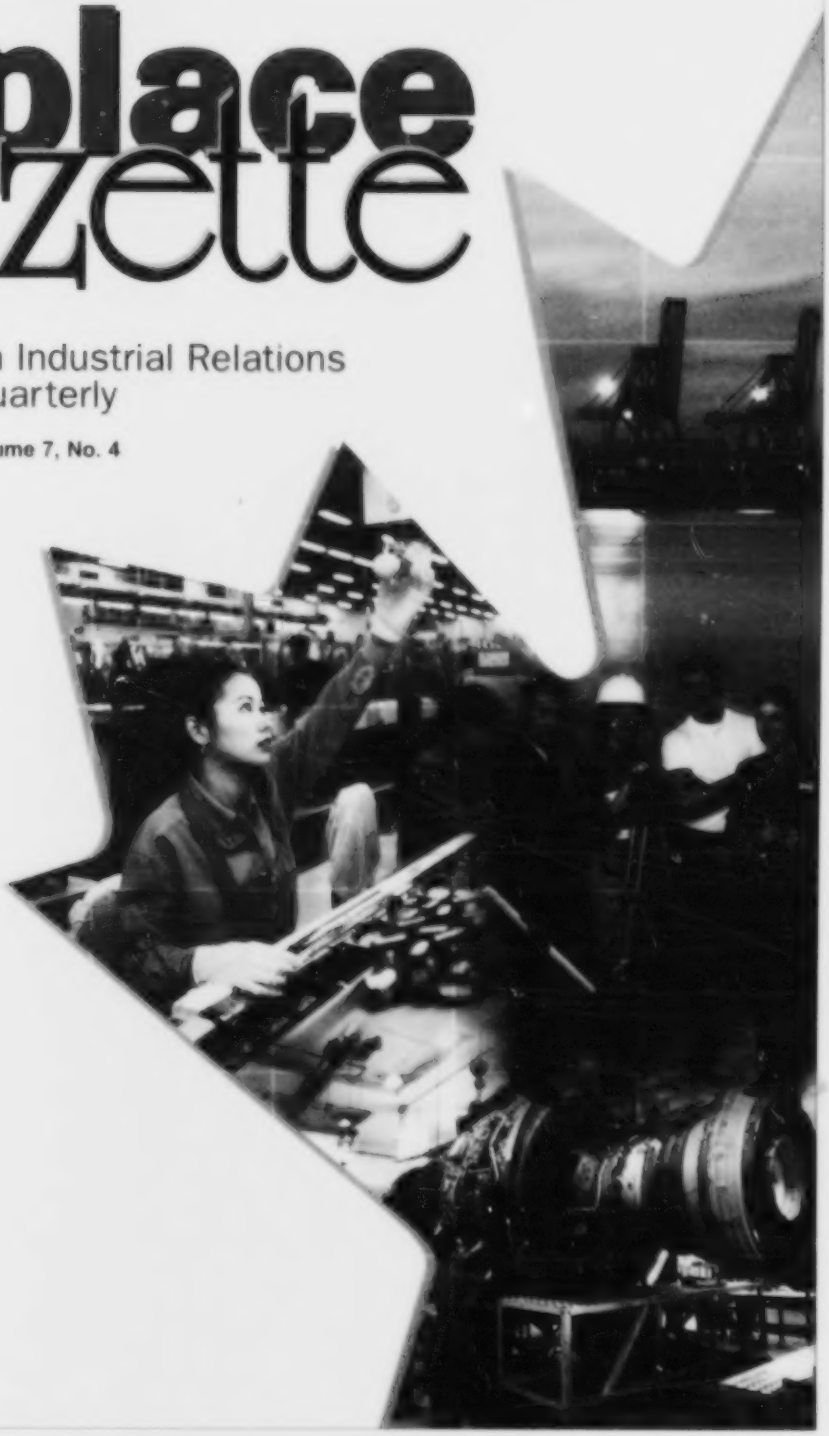

Winter 2004

- Corporate University Basics
- Alternative Dispute Resolution—A Pilot Project in Halifax Takes Off Nationally
- Length of Collective Agreements

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AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

The Winter 2004 issue includes third quarter data for 2004 on wage adjustments in major collective agreements, both current and historical, by public and private sectors, by region/jurisdiction and by major industry. Also, included is a listing of major settlements reached in the third quarter 2004 and information on work stoppages for the third quarter of 2004. An entry concerning the length of collective agreements is presented. An overview of the grievance settlement system is highlighted and innovative practices in the workplace resulting from collective bargaining are summarized.

The project list for the Labour-Management Partnerships Program is updated and a pilot project in Halifax on an alternative dispute resolution is described. L. Morin and S. Renaud report on corporate university basics. A labour technical assistance program in Costa Rica is highlighted.

Recent changes in Canadian Labour Laws focus on adopted bills, regulations and other statutory instruments. The Departmental Library is offering reading material on employee retention.

Finally, Yesterday and Today looks at collective agreement durations.

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The content of this publication has been prepared by members of The Canadian Association of Professional Employees and the Public Service Alliance of Canada.

105-02292/

MAJOR WAGE SETTLEMENTS*

Third Quarter 2004

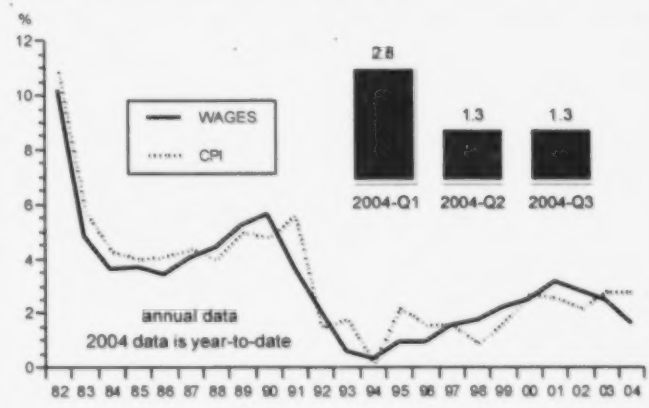
Summary

Major collective bargaining settlements reached in the **third quarter 2004** provided base rate wage adjustments averaging **1.3 per cent** annually over the contract term, the same as in the second quarter, but down from the 2.6 per cent annual figure for 2003 as a whole. The results for the quarter are based on a review of 66 settlements reached and cover 159,190 employees.

When the parties to these settlements previously negotiated, contract duration averaged 31.8 months and the resulting wage adjustments averaged 2.9 per cent, compared to the 1.3 per cent in their current round of settlements and average contract duration of 37.8 months.

Chart A

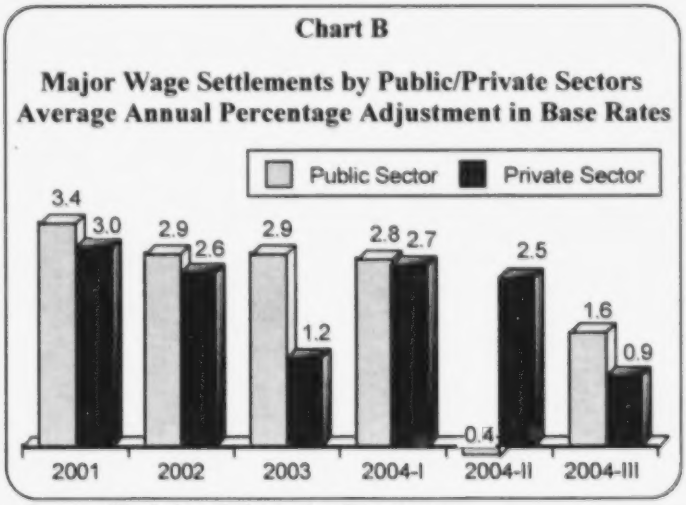
Major Wage Settlements
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate.

Chart B

Major Wage Settlements by Public/Private Sectors
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate.

Public and Private Sectors

Public-sector wage adjustments averaged **1.6 per cent** for 84,270 employees in 36 settlements. The **private sector** average for 74,920 employees in 30 agreements was lower at **0.9 per cent.**

The relatively low public-sector adjustment was due in large part to two new settlements with the Health Employers Association of B.C.; the 39,070 nurses and paramedics covered in these two contracts are subject to a wage freeze. The low private-sector wage adjustment was due mainly to several Air Canada and Air

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Canada Jazz agreements with wage adjustments varying from cuts of 10 per cent, to wage freezes.

Excluding the two B.C. Health Employers Association agreement, the remaining 34 major settlements in the public sector averaged increases of 3.1 per cent. Excluding the five Air Canada agreements, the remaining 25 major settlements in the private sector averaged increases of 2.7 per cent. Finally, excluding both the B.C. Health Employers Association agreements and the Air Canada agreements, the remaining 59 major settlements in all industries across Canada averaged increases of 2.9 per cent (compared to the current average of 1.3 per cent).

Jurisdictions

On a jurisdictional basis, **Nova Scotia** posted the largest average increase in the third quarter 2004, at **5.1 per cent.** The smallest average wage adjustment was recorded in the **Federal jurisdiction** at **-0.1 per cent** (due to Air Canada); the second lowest was **British Columbia** at **0.3 per cent** (due to the Health Employers Association of B.C.).

Wage adjustments in the **Prairie Provinces** averaged **2.5 per cent;** this figure includes Manitoba at 3.3 per cent, Saskatchewan at 1.7 per cent, and Alberta at 2.4 per cent. In the **Atlantic Provinces,** wage increases averaged **4.5 per cent,** with Newfoundland and Labrador at 2.5 per cent; Nova Scotia at 5.1 per cent, and New Brunswick at 4.5 per cent (with a single agreement in each jurisdiction). In **Quebec,** wage increases averaged **3.2 per cent** for only 1,000 employees in two agreements. There were 27 agreements in **Ontario** providing 30,760 employees with wage increases averaging **3.1 per cent.** There were also two **Multiprovince** agreements providing 3,600 employees with wage gains averaging **2.7 per cent.**

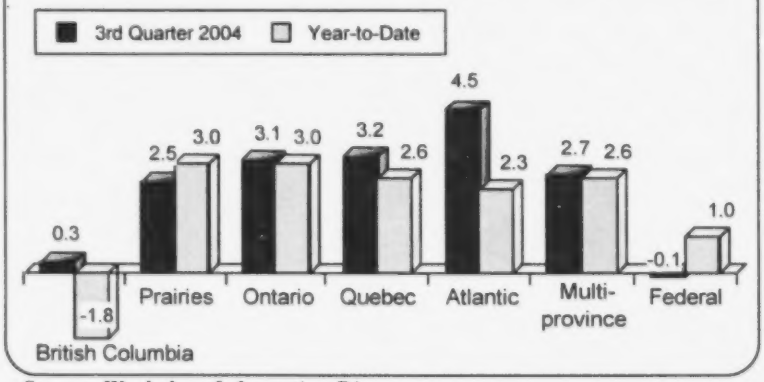
Industry

On an industry basis, average wage adjustments in September 2004 ranged from a low of **1.1 per cent** in **education, health and social services,** to a high of **4.1 per cent** in the **finance and professional services** sector (consisting of a single agreement, Initial Security Services in Manitoba).

The **manufacturing** sector, had the second largest wage increase at **4.0 per cent.** In the **utilities** sector, two agreements provided 1,560 employees with wage increases averaging **3.3 per cent.** In the **transportation** sector, wage increases averaged **3.0 per cent** for 4,200 workers in a single agreement. In the **information and culture** sector, a single agreement provided 4,500 employees with a wage increase averaging **2.9 per cent.** and in **construction,** another single agreement provided 2,000 workers with a wage gain of **2.7 per cent.** In **primary industries,** wage increases averaged **2.5 per cent** (single agreement) and in **public administration, 1.7 per cent** (single agreement).

Chart C

Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate.

Distribution by Size of Wage Increase

The incidence of wage freezes and wage rollbacks had declined since 1994. However, in 2003, there was a slight increase in the incidence of wage freezes and wage rollbacks; in 2003, 3.5 per cent of all employees received wage rollbacks in two agreements and 7.1 per cent of employees in ten agreements were subject to a wage freeze. In 2004, from January through September, 12.2 per cent of employees have received a wage rollback in five agreements and 7.9 per cent of employees in 12 agreements were subject to a wage freeze.

In the third quarter 2004, 23,350 employees representing 16.6 per cent of employees in 66 settlements contained a wage rollback; 41,410 employees representing 26.0 per cent of employees, were subject to a wage freeze.

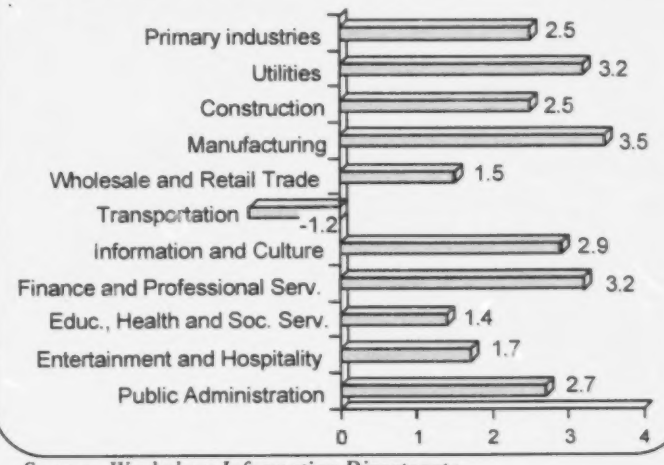
Wage increases between 0.1 and 1.9 per cent were received by 5.2 per cent of employees.

For 42.4 per cent of employees in the third quarter 2004, wage increases were in the 2.0 to 3.9 per cent range, compared to 68.3 per cent of employees receiving increases in the same range last year.

At the upper end of the wage adjustment scale, 9.7 per cent of employees received wage increases of 4.0 per cent or more, compared to 8.7 per cent of employees in 2003 settlements.

Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source : Workplace Information Directorate.

Distribution of Agreements and Employees by Range of Wage Adjustments

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
Less than 0%	3	4.5	26,350	16.6
0% (no increase)	5	7.6	41,410	26.0
Over 0% to 0.9%	1	1.5	650	0.4
1.0% to 1.9%	5	7.6	7,580	4.8
2.0% to 2.9%	23	34.8	48,790	30.6
3.0% to 3.9%	20	30.3	18,850	11.8
4.0% to 4.9%	8	12.1	12,460	7.8
5.0% to 5.9%	1	1.5	3,100	1.9
ALL LEVELS	66	100.0	159,190	100.0

Note: Due to rounding, percentages may not always equal 100 per cent.

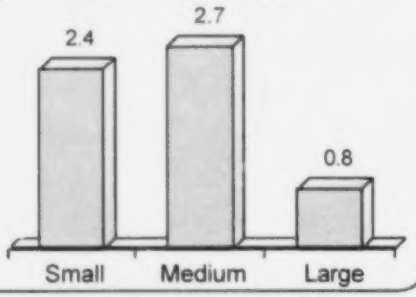
Source: Workplace Information Directorate.

Wage Data for the Third Quarter 2004 for Small, Medium and Large Bargaining Units

Among the 94 collective bargaining settlements reached in the third quarter of 2004, 28 settlements were in small bargaining units (between 100 and 499 employees), 47 were in medium bargaining units (500 to 1,999 employees), and 19 were in large bargaining units with 2,000 employees or more.

Chart E

Average Annual Adjustment by Size of Bargaining Units



Source: Workplace Information Directorate.

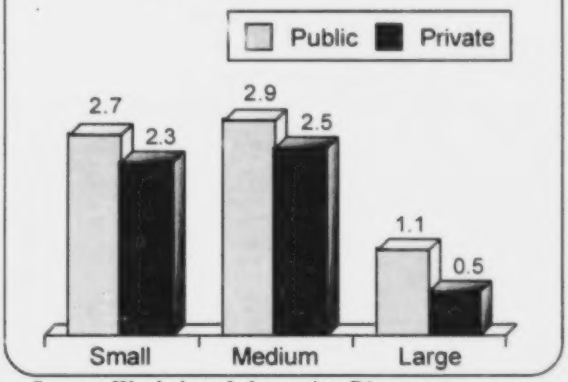
SMALL bargaining units reported an average increase of **2.4 per cent. Public sector** settlements provided an average increase of **2.7 per cent,** higher than the **private sector** wage adjustment of **2.3 per cent.** On an industry basis, the **information and culture** and the **education, health and social services** sectors had the highest wage adjustments at **2.7 per cent** while the **transportation** sector reported the lowest increase at **0.7 per cent.** On a jurisdictional basis, average increases ranged from a high of **3.0 per cent** in **Ontario** (and for one agreement in the **Multiprovince** category) to a low of **1.5 per cent** in **British Columbia.**

MEDIUM bargaining units reported a third quarter average wage increase of **2.7 per cent. Public sector** settlements resulted in an average increase of **2.9 per cent,** compared to the **private sector** figure of **2.5 per cent.** On an industry basis, the **utilities** and the **manufacturing** sectors had the highest wage adjustments at **3.3 per cent** while the **entertainment and hospitality** sector reported the lowest increase at **0.7 per cent.** On a jurisdictional basis, average increases ranged from a high of **3.2 per cent** in **Quebec** to a low of **1.5 per cent** in **British Columbia.**

LARGE bargaining units reported a wage increase of **0.8 per cent.** Settlements in the **public sector** provided an average adjustment of **1.1 per cent** while the **private sector** resulted in an average increase of **0.5 per cent.** On an industry basis, the **manufacturing** sector had the highest wage adjustment at **4.0 per cent** while the **transportation** sector reported the lowest adjustment at **-2.2 per cent.** This decrease is mainly caused by wage reductions negociated in three agreements involving 26 350 employees of Air Canada in the month of July. On a jurisdictional basis, average adjustments ranged from a high of **4.7 per cent** in the **Atlantic** Provinces to a low of **-0.6 per cent** in the **Federal** jurisdiction.

Chart F

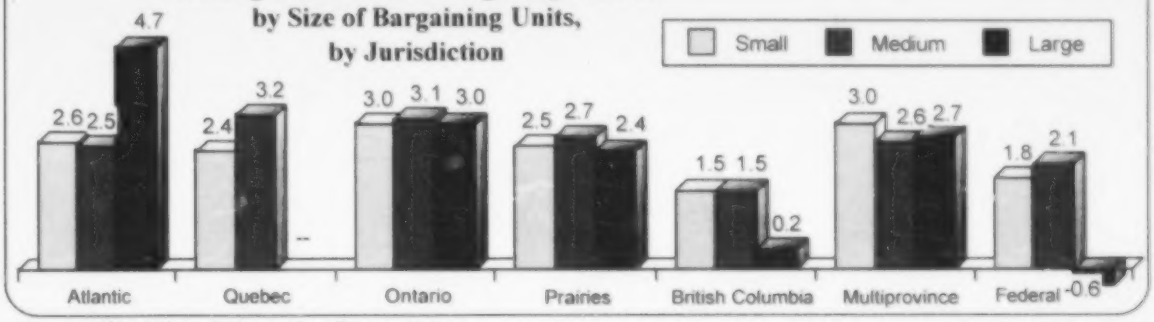
Average Annual Percentage Adjustment by Size of Bargaining Units, by Public/Private Sectors



Source: Workplace Information Directorate.

Chart G

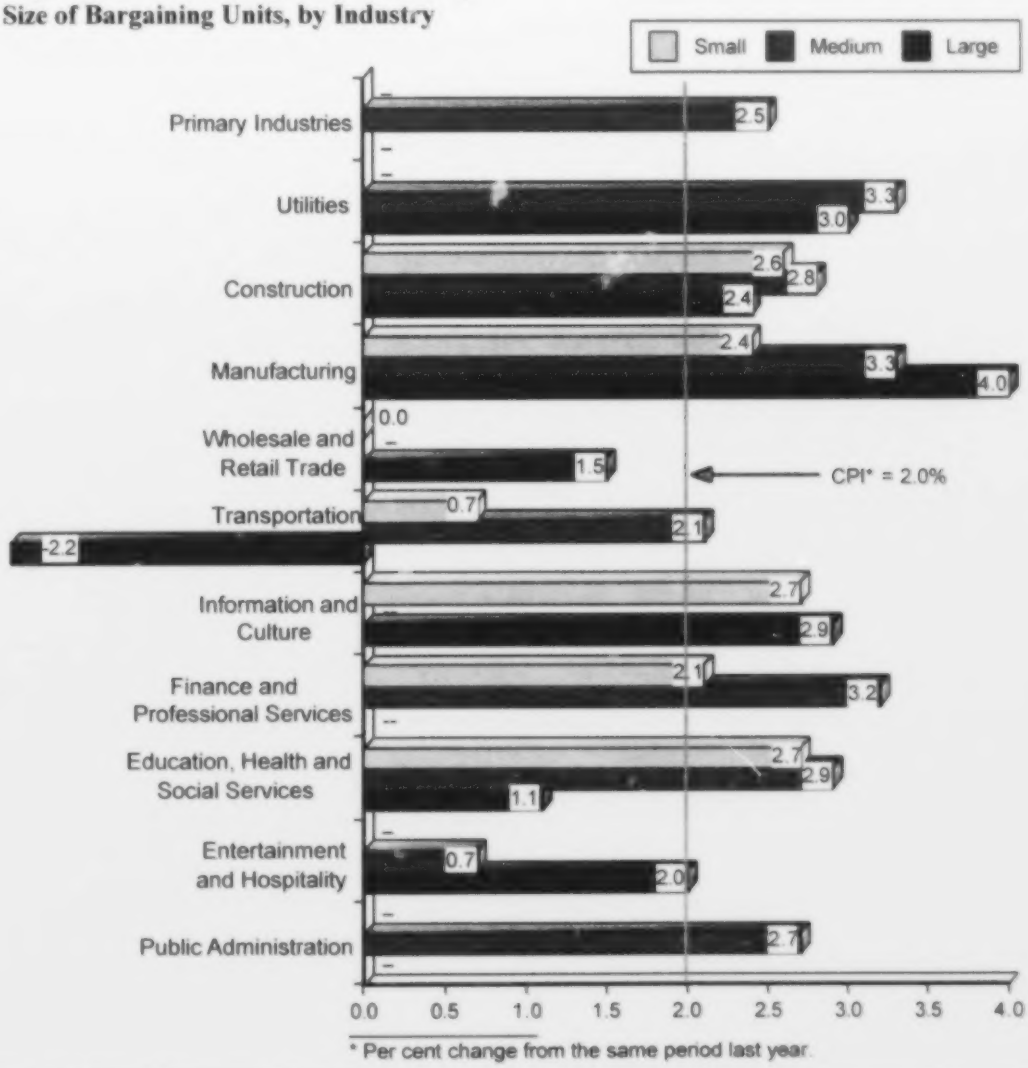
Average Annual Percentage Adjustment by Size of Bargaining Units, by Jurisdiction



Source: Workplace Information Directorate.

Chart H

Average Annual Percentage Adjustment by Size of Bargaining Units, by Industry



Source: Workplace Information Directorate.

Major Settlements Reached in the Third Quarter 2004

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary Industries (1 agreement)	**1,000**	**2.5**	**4.6**	**36.0**	
Iron Ore Company of Canada, production employees, Labrador City, N.L.	1,000	2.5*	4.6	36	2007-02-28
Utilities (3 agreements)	**4,040**	**3.1**	**3.2**	**36.0**	
Bruce Power LP (General Partner Bruce Power Inc.), trades employees, province-wide, Ont.	2,480	3.0*	3.0	36	2006-12-31
Epcor Utilities Inc., office employees, Edmonton, Alta.	910	3.3	3.5	36	2006-12-23
Epcor Utilities Inc., utility employees, Edmonton, Alta.	650	3.3	3.5	36	2006-12-23
Construction (6 agreements)	**13,610**	**2.5**	**1.6**	**42.2**	
Canadian Automatic Sprinkler Association, plumbers and pipefitters, Canada-wide	1,600	2.6	2.6	36	2007-04-30
Construction Labour Relations-Alberta Association, plumbers and pipefitters, province-wide, Alta.	5,000	2.2	0.0	48	2007-04-30
National Capital Road Builders Association, labourers, Ottawa, Ont.	1,210	3.1	3.4	36	2007-04-30
Ontario Painting Contractors Association, painters, province-wide, Ont.	3,000	2.4	2.0	36	2007-04-30
Pipe Line Contractors Association of Canada, labourers, Canada-wide	2,000	2.7	2.2	48	2007-04-30
Terrazzo, Tile and Marble Guild of Ontario Inc., masonry employees, province-wide, Ont.	800	2.7	3.1	36	2007-04-30
Manufacturing (8 agreements)	**7,770**	**3.5**	**3.8**	**35.6**	
Aciers Canam (Division Le Groupe Canam Manac Inc.), production employees, St-Gédéon-de-Beauce, Que.	500	3.0	3.0	36	2007-01-31
Algoma Steel Inc., administrative services employees, Sault Ste. Marie, Ont.	500	4.3 *	6.2	36	2007-07-31
Algoma Steel Inc., production employees, Sault Ste. Marie, Ont.	2,500	4.0 *	4.5	36	2007-07-31
CAMI Automotive Inc., plant and maintenance employees, Ingersoll, Ont.	1,770	4.2 *	3.9	36	2007-09-16
SNC Technologies inc., production employees, Le Gardeur, Que.	500	3.5	4.5	48	2008-05-31
Siemens Automotive Inc., North American Motor Operations Division, plant and maintenance employees, London, Ont.	530	1.6*	0.8	36	2007-07-15
TDS Automotive, production employees, Whitby, Ont.	550	4.4	8.0	36	2007-07-09
Uniroyal Goodrich Tire Manufacturing, production employees, Kitchener, Ont.	920	1.4*	0.1	26	2006-07-22

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Wholesale and Retail Trade (1 agreement)	**4,000**	**1.5**	**0.0**	**75.0**	
Westfair Foods Ltd., retail employees, province-wide, B.C.	4,000	1.5	0.0	75	2009-07-31
Transportation (12 agreements)	**34,500**	**-1.2**	**-2.9**	**27.1**	
Air Canada Regional Inc., aircraft maintenance employees, system-wide	870	0.0	0.0	24	2006-07-31
Air Canada, aircraft maintenance employees, system-wide	13,040	-1.2	-2.4	25	2006-06-30
Air Canada, flight attendants, system-wide	7,110	-4.9	-10.0	25	2006-06-29
Air Canada, passenger agents, system-wide	6,200	-1.3	-2.5	24	2006-06-04
CANPAR Transport Ltd., truck drivers, system-wide	1,370	3.0*	3.0	60	2009-10-31
DHL Express (Canada) Ltd., truck drivers, province-wide, B.C.	810	3.0	3.0	24	2005-12-31
Globeground North America, Vancouver Airport, baggage handlers and ramp attendants, Vancouver Int'l. Airport, B.C.	570	0.0	0.0	12	2005-08-31
Government of Canada, ship's officers, Canada-wide	950	2.5	2.5	36	2006-03-31
Jazz Air Inc., doing business as Air Canada Jazz, customer service employees, system-wide	900	0.0	0.0	24	2006-07-31
Via Rail Canada Inc., non-operating employees, system-wide	1,110	3.0	3.0	36	2006-12-31
Via Rail Canada Inc., on-board services employees, system-wide	860	3.0	3.0	36	2006-12-31
Via Rail Canada Inc., shopcraft employees, system-wide	710	3.0	3.0	36	2006-12-31
Information and Culture (2 agreements)	**11,690**	**2.9**	**2.9**	**43.4**	
Aliant Telecom Inc., office employees and technicians, province-wide, N.B., N.L., N.S.and P.E.I.	4,500	2.9	3.0	36	2007-12-31
Bell Canada, craft and service employees, province-wide, Ont. and Que.	7,190	2.9 *	2.8	48	2007-11-30
Finance and Professional Services (2 agreements)	**1,190**	**3.2**	**3.9**	**30.6**	
Initial Security Services, security guards, province-wide, Man.	650	4.1	5.1	36	2007-06-30
National Research Council of Canada, support employees, Canada-wide	540	2.2	2.5	24	2005-04-30
Education, Health and Social Services (23 agreements)	**71,810**	**1.4**	**1.8**	**29.8**	
Black Gold Regional Division No. 18, elementary and secondary teachers, Nisku, Alta.	510	2.0	2.0	12	2004-08-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Education, Health and Social Services (continued)					
Board of Governors of Ryerson Polytechnic University, office employees, Toronto, Ont.	690	2.7	2.5	36	2007-06-30
Board of Trustees of Edmonton School District No. 7, elementary and secondary teachers, Edmonton, Alta.	4,560	2.3	2.0	36	2006-08-31
Board of Trustees of the Calgary Board of Education, elementary and secondary teachers, Calgary, Alta.	5,680	2.5	2.0	48	2007-08-31
Brock University, teaching assistants, St. Catharines, Ont.	700	4.7	5.0	36	2007-06-30
Capital District Health Authority, health and social care professional employees, Halifax and area, N.S.	3,100	5.1	5.1	36	2006-10-31
Carleton University, support employees, Ottawa, Ont.	700	3.0	3.0	36	2007-06-30
Central Care Corporation Limited (Nursing Home), non-medical employees, Sarnia, Ont.	600	2.1	2.9	39	2007-03-31
Chinook's Edge School Division No. 73, elementary and secondary teachers, Red Deer, Alta.	640	2.3	2.3	12	2004-08-31
Conseil des écoles catholiques de langue française du Centre-Est, elementary teachers, Ottawa and area, Ont.	750	1.9	1.8	24	2006-08-31
Conseil scolaire catholique de district des Grandes Rivières, elementary and secondary teachers, Timmins, Ont.	750	2.0	2.0	24	2006-08-31
Conseil scolaire de district catholique de l'Est Ontarien, elementary teachers, L'Orignal, Ont.	630	2.0	2.0	24	2006-08-31
Government of New Brunswick, nurses, province-wide, N.B.	4,390	4.5	11.1	48	2007-12-31
Hamilton-Wentworth District School Board, custodial employees, Hamilton, Ont.	550	2.3	3.0	36	2006-08-31
Health Employers Association of British Columbia, nurses, province-wide, B.C.	26,070	0.0	0.0	24	2006-03-31
Health Employers Association of British Columbia, para-medical professional employees, province-wide, B.C.	13,000	0.0	0.0	24	2006-03-31
Louis Riel School Division, elementary and secondary teachers, Winnipeg, Man.	1,000	3.0	3.0	24	2006-06-30
Ottawa Hospital, non-medical employees, Ottawa, Ont.	3,000	2.8	2.5	36	2004-09-28
St. James-Assiniboia School Division No. 2, elementary and secondary teachers, St. James-Assiniboia, Man.	610	3.0	3.0	24	2005-06-30
Toronto District School Board, trades employees, Toronto, Ont.	700	3.0	3.0	12	2004-08-31
University of Western Ontario, teaching assistants, London, Ont.	1,400	4.1	3.0	24	2006-08-31
University of Windsor, professors and librarians, Windsor, Ont.	880	3.4	3.0	48	2008-06-30
University of Windsor, teaching assistants, Windsor, Ont.	900	3.0	3.0	36	2007-08-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Entertainment and Hospitality (2 agreements)	**2,850**	**1.7**	**1.5**	**36.0**	
Cara Operations Ltd., food service employees, Vancouver Int'l. Airport, B.C.	650	0.7	0.0	36	2007-07-31
Pacific National Exhibition, service and maintenance employees, Vancouver, B.C.	2,200	2.0	2.0	36	2006-12-31
Public Administration (6 agreements)	**6,730**	**2.7**	**2.4**	**33.9**	
City of Saskatoon, inside and outside employees, Saskatoon, Sask.	1,380	1.7*	1.7	36	2006-12-31
District of Saanich, inside and outside employees, Saanich, B.C.	1,100	2.0*	2.0	24	2006-12-31
London Police Services Board, police officers, London, Ont.	510	3.9	4.3	24	2005-12-31
Regional Municipality of Durham Police Services Board, police officers, Oshawa, Ont.	840	3.9	4.3	24	2005-12-31
Regional Municipality of Durham, inside employees, Whitby, Ont.	1,300	2.2	0.0	48	2008-03-31
Regional Municipality of Peel Police Services Board, police officers, Brampton, Ont.	1,600	3.4	3.5	36	2006-12-31
Agreements with COLA (11 agreements)	**20,740**	**2.9***	**3.0**	**40.7**	
Agreements without COLA (55 agreements)	**138,450**	**1.0**	**0.6**	**32.1**	
All Agreements (66 agreements)	**159,190**	**1.3**	**1.0**	**33.2**	

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Source: Workplace Information Directorate.

Calendars of Collective Agreements Expiries and Reopeners

*Coming soon, the **2005** Calendar listings covering 500 or more employees.*

The 2004 calendars are still available on the Workplace Information Directorate Web site at

http://www.hrsdc.gc.ca/en/lp/wid/info.shtml .

Table 1

Major Wage Settlements—All Sectors by Year and Quarter

		Number of Agreements	Number of Employees	Duration in Months	% Wage Adjustment
YEAR					
1985		516	838,620	24.5	3.7
1986		553	1,121,456	25.6	3.4
1987		478	1,111,330	29.9	4.0
1988		542	1,182,742	25.3	4.4
1989		453	1,001,786	29.6	5.2
1990		507	1,146,353	28.4	5.6
1991		547	1,345,643	18.2	3.6
1992		496	1,306,765	24.3	2.1
1993		518	1,412,471	23.9	0.7
1994		434	942,583	28.4	0.3
1995		402	908,803	32.8	0.9
1996		378	810,415	32.6	0.9
1997		379	692,219	33.9	1.5
1998		412	938,310	31.9	1.7
1999		379	828,140	36.0	2.2
2000		406	1,081,030	34.7	2.5
2001		428	990,070	33.4	3.2
2002		361	984,610	29.5	2.8
2003		344	617,360	34.5	2.5
2004*		269	676,690	34.2	1.6
* Year-to-Date					
QUARTER					
2003	I	88	108,150	32.0	2.8
	II	130	235,120	29.8	2.4
	III	47	136,240	42.3	3.1
	IV	79	137,850	37.0	2.0
2004	I	73	140,200	28.8	2.8
	II	130	377,300	36.6	1.3
	III	66	159,190	33.2	1.3

Table 2

Major Wage Settlements—Public and Private Sectors by Year and Quarter

	Public Sector				Private Sector			
	Number of Agreements	Number of Employees	Duration in Months	% Wage Adjusment	Number of Agreements	Number of Employees	Duration in Months	% Wage Adjusment
YEAR								
1985	316	566,785	21.7	3.8	200	271,835	30.1	3.3
1986	321	709,241	25.3	3.6	232	412,215	26.0	3.0
1987	270	824,298	29.4	4.1	208	287,032	31.4	3.8
1988	301	698,603	24.0	4.0	241	484,139	27.2	5.0
1989	294	736,003	30.0	5.2	159	265,783	28.6	5.2
1990	283	677,830	27.4	5.6	224	468,523	29.7	5.7
1991	365	1,121,668	16.0	3.4	182	223,975	29.2	4.4
1992	301	975,874	21.7	2.0	195	330,891	32.2	2.6
1993	347	1,012,003	23.4	0.6	171	400,468	25.2	0.8
1994	299	719,824	26.5	0.0	135	222,759	34.5	1.2
1995	215	629,625	31.5	0.6	187	279,178	35.9	1.4
1996	212	564,293	31.7	0.5	166	246,122	34.7	1.7
1997	220	370,325	30.3	1.1	159	321,894	38.1	1.8
1998	221	646,270	31.1	1.6	191	292,040	33.7	1.8
1999	219	510,590	35.0	2.0	160	317,550	37.6	2.7
2000	302	917,090	33.5	2.5	104	163,940	41.5	2.4
2001	258	692,280	32.0	3.4	170	297,790	36.5	3.0
2002	249	760,060	26.2	2.9	112	224,550	40.6	2.6
2003	248	469,350	33.1	2 9	96	148,010	39.0	1.2
2004*	145	343,810	30.4	1.1	124	332,880	38.1	2.2
* Year-to-Date								
QUARTER								
2003 I	64	81,690	29.1	2.9	24	26,460	40.8	2.4
II	93	172,060	29.8	3.1	37	63,060	29.9	0.3
III	34	121,690	41.7	3.2	13	14,550	47.5	2.3
IV	57	93,910	31.7	2.2	22	43,940	48.2	1.6
2004 I	51	101,530	26.4	2.8	22	38,670	35.2	2.7
II	58	158,010	32.9	-0.3	72	219,290	39.2	2.5
III	36	84,270	30.5	1.6	30	74,920	36.2	0.9

Table 3

Wage Adjustment—All Sectors
Region/Jurisdiction by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
	%	%	%	%	%	%
Canada	2.8	2.5	2.0	2.8	1.3	1.3
Atlantic	4.1	3.1	2.7	3.3	1.3	4.5
Newfoundland and Labrador	6.6	3.1	2.2	-	0.9	2.5
Prince Edward Island	4.9	3.2	3.0	3.2	2.0	-
Nova Scotia	2.4	3.3	2.0	3.3	4.0	5.1
New Brunswick	2.7	2.8	2.9	3.4	2.1	4.5
Quebec	2.1	2.2	2.3	3.0	2.5	3.2
Ontario	3.0	3.3	2.9	3.1	2.9	3.1
Prairies	4.2	2.9	2.9	3.6	2.8	2.5
Manitoba	4.0	2.8	2.7	3.2	2.7	3.3
Saskatchewan	4.0	3.0	-	-	1.4	1.7
Alberta	4.5	3.0	3.6	3.7	2.9	2.4
British Columbia	1.9	1.3	0.8	-0.9	-3.0	0.3
Territories	3.0	2.5	2.5	-	3.0	-
Multiprovince	4.3	2.4	-	-	2.3	2.7
Federal	2.8	1.8	3.1	3.1	2.4	0.0

Table 4

Wage Adjustment—Public and Private Sectors
Region/Jurisdiction by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
	%	%	%	%	%	%
PUBLIC SECTOR						
Canada	2.9	2.9	2.2	2.8	-0.3	1.6
Atlantic	4.3	3.2	2.7	3.8	1.2	4.7
Newfoundland and Labrador	7.2	4.5	-	-	0.9	-
Prince Edward Island	4.9	3.0	3.0	3.2	2.0	-
Nova Scotia	2.3	3.4	-	3.9	4.2	5.1
New Brunswick	3.0	2.3	2.3	-	-	4.5
Quebec	2.0	2.1	2.1	3.1	3.1	-
Ontario	2.9	3.6	3.8	3.7	3.4	3.0
Prairies	4.8	3.2	2.9	3.6	3.1	2.5
Manitoba	4.6	3.0	2.7	3.2	3.4	3.0
Saskatchewan	4.5	3.4	-	-	0.5	1.7
Alberta	5.2	3.5	3.6	3.7	3.2	2.5
British Columbia	2.2	1.2	0.5	-1.1	-4.5	0.1
Territories	3.0	2.5	2.5	-	3.0	-
Multiprovince	-	-	-	-	-	-
Federal	2.9	3.0	4.5	3.3	2.4	2.8
PRIVATE SECTOR						
Canada	2.6	1.2	1.6	2.7	2.5	0.9
Atlantic	2.7	2.9	2.6	2.4	3.1	2.5
Newfoundland and Labrador	3.0	2.5	2.2	-	-	2.5
Prince Edward Island	-	3.8	-	-	-	-
Nova Scotia	4.0	2.7	2.0	1.3	3.6	-
New Brunswick	1.4	3.7	3.5	3.4	2.1	-
Quebec	2.4	2.6	2.6	2.8	2.5	3.2
Ontario	3.3	1.9	1.3	2.4	2.8	3.1
Prairies	1.5	1.4	-	4.0	2.2	2.4
Manitoba	1.3	0.6	-	-	1.3	4.1
Saskatchewan	1.6	2.6	-	-	2.5	-
Alberta	1.6	1.6	-	4.0	2.4	2.2
British Columbia	1.4	1.4	1.4	4.0	1.7	1.6
Territories	-	-	-	-	-	-
Multiprovince	4.3	2.4	-	-	2.3	2.7
Federal	2.7	-0.1	2.7	2.8	2.4	-0.3

Table 5

Major Wage Settlements—Industry Division by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
All Industries						
Number of Agreements	361	344	79	73	130	66
Number of Employees	984,610	617,360	137,850	140,200	377,300	159,190
Duration in Months	29.5	34.5	37.0	28.8	36.6	33.2
% Wage Adjustment	2.8	2.5	2.0	2.8	1.3	1.3
Primary Industries						
Number of Agreements	3	2	-	3	1	1
Number of Employees	1,880	1,410	-	3,380	660	1,000
Duration in Months	36.5	36.0	-	36.0	36.0	36.0
% Wage Adjustment	2.1	2.7	-	3.1	2.8	2.5
Utilities						
Number of Agreements	15	13	2	4	1	3
Number of Employees	19,130	25,850	3,510	4,580	900	4,040
Duration in Months	33.0	33.8	36.0	16.0	52.0	36.0
% Wage Adjustment	2.4	2.4	2.6	3.2	3.6	3.1
Construction						
Number of Agreements	12	5	2	2	39	6
Number of Employees	23,660	3,110	1,200	15,200	171,580	13,610
Duration in Months	47.4	44.2	48.0	36.0	36.9	42.2
% Wage Adjustment	1.2	2.7	3.5	2.6	2.7	2.5
Manufacturing						
Number of Agreements	49	46	8	10	18	8
Number of Employees	90,530	41,860	5,830	9,900	28,640	7,770
Duration in Months	38.2	41.1	41.2	32.7	53.1	35.6
% Wage Adjustment	3.5	2.4	2.6	2.3	1.8	3.5
Wholesale and Retail Trade						
Number of Agreements	19	15	7	1	3	1
Number of Employees	51,720	47,230	33,600	950	10,280	4,000
Duration in Months	45.2	50.7	49.4	36.0	41.4	75.0
% Wage Adjustment	1.8	1.3	1.3	2.7	1.6	1.5

Table 5 (continued)

Major Wage Settlements—Industry Division by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
Transportation						
Number of Agreements	12	27	7	4	7	12
Number of Employees	29,580	114,180	9,140	14,920	5,220	34,500
Duration in Months	31.5	37.1	40.2	42.8	37.0	27.1
% Wage Adjustment	2.8	1.7	2.5	3.1	2.8	-1.1
Information and Culture						
Number of Agreements	8	10	4	1	1	2
Number of Employees	23,160	10,590	2770	1,100	1,460	11,690
Duration in Months	34.6	39.8	39.9	36.0	24.0	43.4
% Wage Adjustment	3.0	2.2	2.8	2.7	2.2	2.9
Finance and Professional Services						
Number of Agreements	8	6	2	-	1	2
Number of Employees	12,560	5,030	1,250	-	740	1,190
Duration in Months	55.2	39.3	56.2	-	28.0	30.6
% Wage Adjustment	2.0	2.6	3.3	-	0.0	3.2
Education, Health and Social Services						
Number of Agreements	167	163	27	31	44	23
Number of Employees	490,620	232,220	30,420	61,040	131,980	71,810
Duration in Months	23.6	26.8	29.7	27.1	30.8	29.8
% Wage Adjustment	3.0	3.4	3.6	2.4	-0.8	1.4
Entertainment and Hospitality						
Number of Agreements	12	8	2	-	2	2
Number of Employees	10,400	7,270	1,600	-	5,150	2,850
Duration in Months	43.6	42.2	48.0	-	44.2	36.0
% Wage Adjustment	2.5	2.6	2.6	-	3.2	1.7
Public Administration						
Number of Agreements	56	49	18	17	13	6
Number of Employees	231,370	128,610	48,530	29,130	20,690	6,730
Duration in Months	30.0	37.0	30.7	20.6	44.7	33.9
% Wage Adjustment	2.6	2.3	1.2	3.4	2.1	2.7

Table 6

Major Wage Settlements—Public Sector Breakdown by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
Federal Administration						
Number of Agreements	11	4	-	3	2	2
Number of Employees	54,800	20,650	-	2,610	1,650	1,490
Duration in Months	34.6	33.2	-	35.0	43.3	31.7
% Wage Adjustment	2.9	3.1	-	3.3	2.5	2.4
Federal Crown Corporations						
Number of Agreements	4	7	2	-	1	3
Number of Employees	5,390	60,650	2,150	-	1,460	2,680
Duration in Months	36.3	45.3	27.1	-	24.0	36.0
% Wage Adjustment	2.7	3.0	3.9	-	2.2	3.0
Provincial Administration						
Number of Agreements	24	24	14	6	6	-
Number of Employees	135,570	62,730	43,710	14,720	12,460	-
Duration in Months	27.0	31.4	29.8	12.0	42.4	-
% Wage Adjustment	2.3	1.7	1.0	3.5	2.2	-
Local Administration						
Number of Agreements	31	40	10	7	8	6
Number of Employees	62,230	74,450	12,900	8,940	12,640	6,730
Duration in Months	34.5	43.7	41.8	33.3	47.2	33.9
% Wage Adjustment	3.0	2.7	2.7	3.2	2.4	2.7
Education, Health and Welfare						
Number of Agreements	168	163	29	31	41	23
Number of Employees	490,290	227,240	31,640	62,950	129,800	71,810
Duration in Months	23.7	26.7	30.2	26.3	30.6	29.8
% Wage Adjustment	3.0	3.4	3.6	2.4	-0.8	1.4
Public Utilities						
Number of Agreements	11	10	2	4	-	2
Number of Employees	11,780	23,630	3,510	12,310	-	1,560
Duration in Months	32.6	35.1	36.0	36.9	-	36.0
% Wage Adjustment	3.1	2.3	2.6	3.3	-	3.3

Table 7

Selected Economic Indicators by Year and Quarter

	2002	2003	2003–2004 4	1	2	3
Wage Adjustment (%)						
Ratified Agreements	2.8	2.5	2.0	2.8	1.3	1.3
Public Sector	2.9	2.9	2.2	2.8	-0.4	1.6
Private Sector	2.5	1.2	1.6	2.7	2.5	0.9
Wage Adjustment (%)						
Agreements in Force	3.0	2.7	2.6	2.5	1.8	1.5
Public Sector	3.2	2.8	2.7	2.6	1.7	1.3
Private Sector	2.6	2.4	2.3	2.2	2.0	1.9
†**Consumer Price Index**						
Percentage Change[1]	2.2	2.8	1.7	0.9	2.2	2.0
†**GDP[2] at Basic Prices[3]**						
Percentage Change[1]	3.4	2.2	1.9	2.3	3.2	3.7
‡**Labour Productivity Growth (%)**	1.2	-0.1	-0.1	0.1	0.9	1.2
‡**Unit Labour Cost (%)**	0.5	1.5	1.2	1.4	1.4	1.2
†**Unemployment Rate[3] (%)**	7.7	7.6	7.5	7.4	7.2	7.1
†**Employment[3] (000's)**	15,412	15,746	15,875	15,917	15,996	16,050
Percentage Change[1]	2.2	2.2	1.8	1.6	1.9	1.9
†**Average Weekly Earnings[3]**	$681.81	$689.60	$694.11	$697.55	$701.64	$700.56
Percentage Change[1]	2.0	1.2	1.2	1.7	1.9	1.6
†**Average Hourly Earnings**	$17.09	$17.20	$17.40	$17.56	$17.78	$17.86
Percentage Change[1]	1.8	0.7	2.2	3.0	3.7	3.7

[1] Percentage change from the same period of the previous year.

[2] GDP—Gross domestic product at factor cost (1997) prices.

[3] Seasonally adjusted data.

† Statistics Canada.

‡ Department of Finance Canada.

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified employees in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all employees in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated **cost-of-living allowance (COLA)** payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an **inflation projection of 2.0 per cent** has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources and Skills Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities."

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two

is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the federal government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act.*

(2) Provincial and territorial governments

(a) provincial and territorial government administration;
(b) health, education and social services agencies or institutions:
  (i) public hospitals,
  (ii) provincial residential care facilities,
  (iii) universities,
  (iv) colleges, vocational and trade institutions,
  (v) social services business enterprise,
  (vi) provincial elementary and secondary schools.

(3) Local Government Administration

(a) local government organizations such as: municipalities, boards, commissions;
(b) school boards;
(c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

(a) a government holds more than 50 per cent of its voting equity, directly;
(b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

(a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
  (i) the holding is the largest block of voting equity; and
  (ii) the holding exceeds 33.3 per cent of the voting equity; and
  (iii) the block is larger than the combined percentage of the next two largest blocks;
(b) the commercial enterprise declares that it is effectively controlled by a government;
(c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

Length of Collective Agreements

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Introduction

In an article published in the Workplace Gazette[1] in 1999, the Workplace Information Directorate reviewed the increasing average duration of collective agreements within its database on agreements covering 500 or more employees for all of Canada. Its main finding was a strong increase in the proportion of long-term collective agreements (more than 36 months). This proportion went from 1 to 2 per cent of ratified agreements in 1990 to a high of 26.5 per cent in 1999.

This tendency was corroborated by the average annual duration of collective agreements which went from 28.4 months in 1990 to a high of 36 months in 1999. We noted that the private sector, particularly in manufacturing, exerted an overriding influence on this lengthening trend and that the average life of agreements varied greatly from one jurisdiction to another.

As it is difficult to isolate the effect of the industrial sector where some unions are better entrenched, the analysis of union affiliation was not repeated. Collective agreements that include reopener clauses were not analyzed since they are insignificant and appear in the form of parity clauses for wage adjustments tied to external bargaining units.

In this article, we have decided to include the analysis of the period 1994–2003 by jurisdiction or region and industry sector in order to determine whether the phenomenon of increased agreement length had grown, stabilized, or receded.

Methodology

This study focuses on 3,922 collective agreements covering 500 workers or more, ratified between January 1994 and December 2003 in all of Canada. The number of collective agreements ratified over this period was greater than the number of bargaining units, some units having concluded more than one agreement. The average duration figure is weighted by the number of workers involved.

According to the article published in 1999, a long-term collective agreement is one with a duration of over 36 months. In order to determine the length of an agreement, we have used the day following the termination of the previous agreement, which is not always the effective date of the new one. However, in the majority of cases, this date is retroactive to the day following the end of the previous agreement.[2]

Moreover, in order to identify the deep-seated tendencies with respect to the average duration of collective agreements, the analysis was based on a comparison of two five-year periods, namely 1994–1998 and 1999–2003, which allows us to minimize the effect of the variability of annual data on the length of agreements.

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[1] Long-Term Collective Agreements and Reopener Clauses, *Workplace Gazette*, Fall 1999, Vol. 2, N° 3, pp. 42–57.

[2] In about 775 cases (19.8 per cent), half of which come from the private sector, the effective date was subsequent to the day following the end of the previous collective agreement. Had we used the effective date, the overall effect would reduce the average duration of collective agreements by 1.8 months.

Lengthening of the Average Duration of Collective Agreements

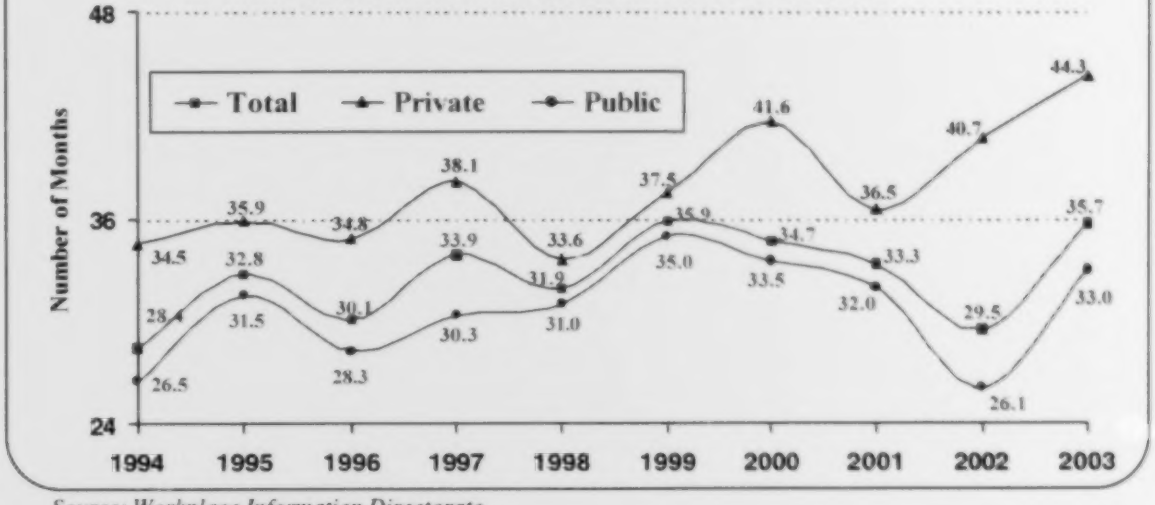
The average annual length of collective agreements increased by 7.3 months, from 28.4 months in 1994 to 35.7 in 2003 (see Chart A). This increase was most noticeable in the private sector, going from 34.5 to 44.3 months, while it went from 26.5 to 33 months in the public sector.[3]

A closer look at Chart A shows that the average annual duration of collective agreements has consistenly averaged more than 36 months in the private sector since 1999. The public sector average duration peaked at 35 months in 1999. Chart A also demonstrates the strong influence exerted by the public sector on the average length of collective agreements as a whole as the "total" curve closely mirrors that of the public sector. Among collective agreements tracked, 62.4 per cent of the 3,922 collective agreements studied (71.1 per cent of the 8,859,070 employees covered) come from the public sector.

This effect is particularly conspicuous given the shortened length of collective agreements which went from 35.9 months to 26.1 months between 1999 and 2002. This reduction is largely due to the ratification of a large number of 12-month collective agreements in the elementary and secondary education sector in Ontario[4] between 2000 and 2001 and in Quebec's public and parapublic sector in 2002.[5]

Chart A

Average Duration of Agreements by Year and Sector



Source: Workplace Information Directorate.

[3] For the period 1994–2003, the average weighted duration of collective agreements was 32.5 months (37.2 in the private sector and 30.6 in the public sector).

[4] In this sector, twenty-nine 12-month collective agreements were ratified in 2000 (3.8 per cent of employees covered and 7.4 per cent of agreements for 2000) while in 2001, 30 agreements were signed (4.4 per cent of employees covered and 7.2 per cent of 2001 agreements).

[5] Twelve month extension of 53 collective agreements in order to allow negotiation of pay equity in the Quebec public and parapublic sector. These agreements represent 26.6 per cent of employees covered and 14.9 per cent of agreements ratified in 2002.

The proportion of long-term collective agreements is 21.0 per cent for agreements of more than 36 months, 14.5 per cent for those 48 months or more, and 5.2 per cent for those 60 months or more. The proportion of long-term collective agreements moved from 17.7 per cent for the 1994–1998 period to 24.5 per cent for the 1999–2003 period. With respect to collective agreements of 48 months or more, this proportion went from 11.7 per cent to 17.5 per cent and from 4.6 per cent to 5.7 per cent for agreements of 60 months or more.

Long-Term Collective Agreements Predominance of the Private Sector

The private sector accounts for the majority of the 824 long-term collective agreements ratified between 1994 and 2003. Indeed, while the proportion of private-sector collective agreements included in the analysis is 37.6 per cent, the proportion of long-term collective agreements[6] is 54.2 per cent. Further, if we look at all employees covered, 28.3 per cent are from the private sector. By comparison, with respect to long-term collective agreements, this proportion is 41.9 per cent of the 1,968,325 employees covered.

Chart B indicates that, in the private sector, the proportion of long-term collective agreements has climbed from one quarter to more than one third between the 1994–1998 (24.7 per cent) and 1999–2003 (37.8 per cent) periods. In the public sector, this proportion went from 12.7 per cent to 17.8 per cent for the same period. Meanwhile, collective agreements of 48 months or more also increased significantly in the private sector, from 17.9 per cent to 26.6 per cent, while in the public sector, they went from 7.3 per cent to 12.9 per cent.

For this entire period, 69.1 per cent of the 824 long-term agreements had a duration of 48 month or more while one quarter (24.6 per cent) had a term of 60 months or more. The proportion of agreements of 60 months or more is 31.5 per cent in the private sector and 16.4 per cent in the public sector. It is interesting to note that when a collective agreement exceeds 36 months, it often has a term of 48 months or more.

The average length of long-term collective agreements also increased, moving from 46.4 month for 1994–1998 to 49.9 months for 1999–2003. The greatest increase was recorded in the public sector, jumping from 43 to 48.9 months[7] while in the private sector, it went from 50 to 51.4 months. Meanwhile, there does not seem to be any significant difference between the average length of long-term collective agreements between the public and private sectors.

Long-Term Collective Agreements by Jurisdiction

The number of collective agreements covering 500 workers or more, ratified between January 1994 and December 2003 varies greatly by jurisdiction. In this respect, Ontario accounts for 39.5 per cent of agreements; the Prairie Provinces, 18.3 per cent; Quebec, 14.5 per cent; British Columbia, 10.5 per cent; the Federal jurisdiction, 9.6 per cent; the Atlantic Provinces, 7.2 per cent; and the Territories, 0.5 per cent. Interestingly enough, Ontario, which accounts for 39.5 per cent of collective agreements ratified, only accounts for 31.3 per cent of the employees covered, while the federal jurisdiction, with 9.6 per cent of agreements, accounts for 17.4 per cent of employees covered (see Chart C).

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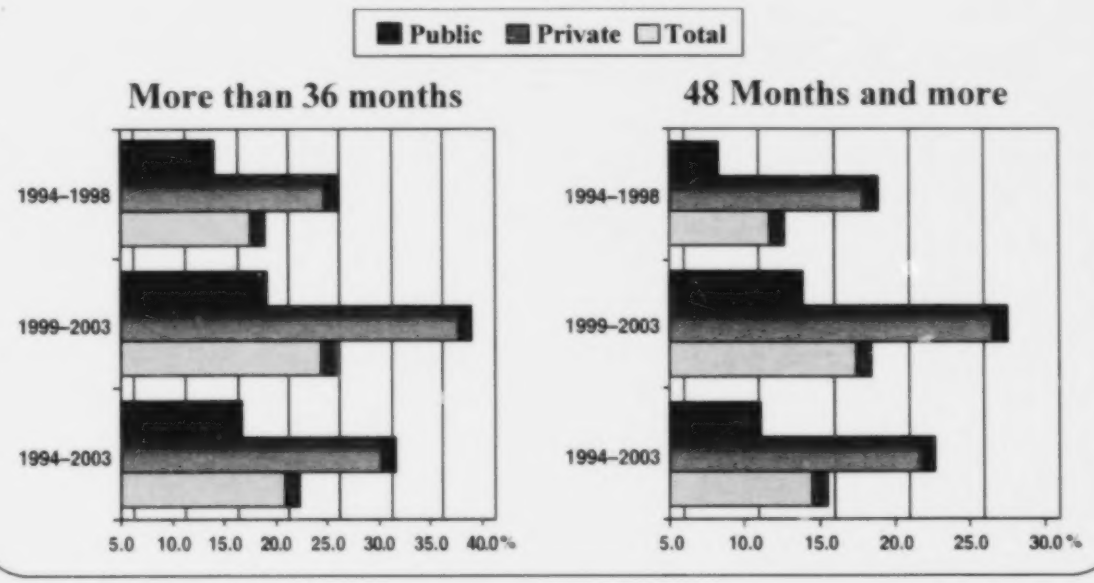
[6] In 2002 and 2003, in the private sector, more than half were long-term, though the number of collective agreements ratified was relatively low (200).

[7] The ninety-eight 48-month agreements ratified (1998–2002) in the Quebec public and parapublic sector at the beginning of 2000 have exerted a strong influence on these results as they represent 43 per cent of long-term agreements ratified during that period.

Chart B

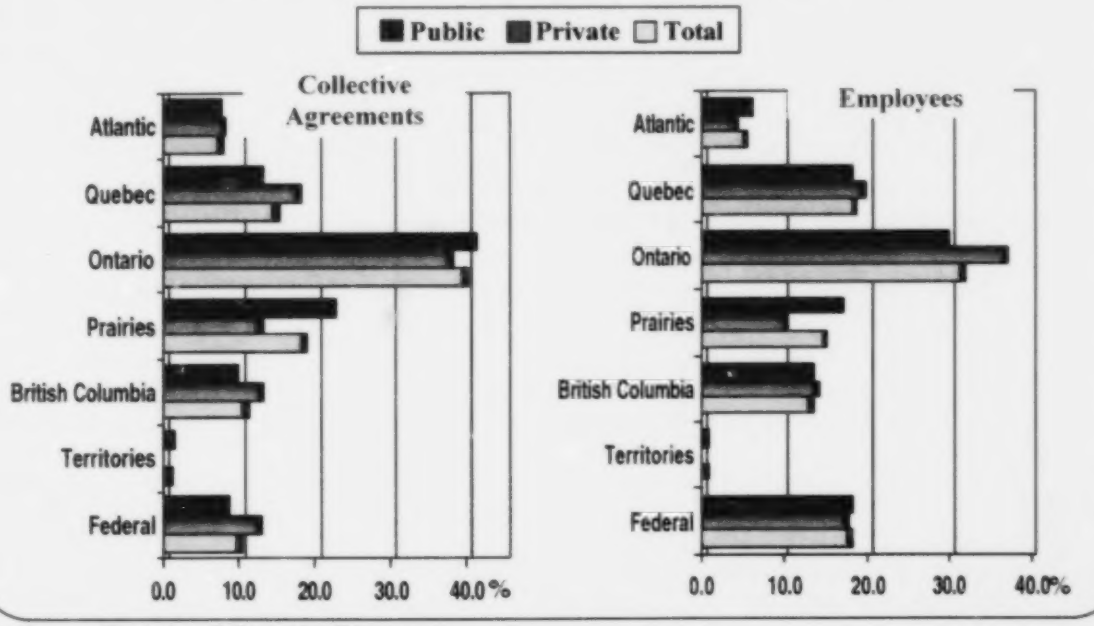
Proportion of Collective Agreements by Duration and Period



Source: Workplace Information Directorate.

Chart C

Proportion of Collective Agreements Ratified and Number of Employees by Region/Jurisdiction and Sector (1994–2003)



Source: Workplace Information Directorate.

A close look at the average duration of agreements ratified during 1994–1998[8] reveals that it is longest in the Atlantic Provinces, with 37.8 months (see Chart D). This is largely due to New Brunswick where the average length of collective agreements reached 41.8 months, the only province where the duration of agreements is longer in the public sector (42.1 months) than in the private sector (40.7 months).

New Brunswick is followed by Quebec (35.5 months) and British Columbia (35.3 months). In both cases, this is largely due to the private sector where the average length of agreements is 39.4 months.[9] The private sector in Newfoundland and Labrador (29.6 months), the Federal jurisdiction (34.8 months), and Alberta (35 months) recorded the shortest agreement durations. The public sector in Ontario (28 months), the Federal jurisdiction (28.3 months), and the Prairie Provinces (29.3 months) recorded the shortest agreement durations. In the later case, this is largely due to the Alberta public sector where the average length of agreements for the entire period was 26.9 months.

Given the high number of agreements reached at the beginning of the 2000s in the elementary and secondary education sector in Ontario, we have assessed their impact. Excluding this sector,[10] the average duration of collective agreements in Ontario is three months longer, bringing it to 33.9 months. Obviously the impact is primarily felt in the public sector where the average length moves from 28 to 31.6 months. It is slightly more pronounced with an increase of 3.9 months (to 36.7 months) when limiting the results to the public sector. For all collective agreements, the term increase is 0.9 month to 33.4 months.

We have conducted a similar analysis for Quebec by excluding the health, education and social services sectors. The impact is also relatively significant for this jurisdiction with an additional 3.9 months to the length of collective agreements, which moves from 35.5 to 39.4 months for the whole period 1994–2003. However, the impact is felt throughout the 1999–2003 period with an additional 7.2 months to the length of collective agreements, which rises from 35.5 to 42.8 months.

When comparing the 1994–1998 period to that of 1999–2003, we find that the average duration of collective agreements ratified in the Atlantic Provinces[11] went from 36.2 to 40 months (see Chart E). Within the private sector, it went from 33.6 to 40.1 months, while in the public sector, the average length of collective agreements increased from 36.9 to 39.3 months. Furthermore, in the Atlantic Provinces, the most significant increases in private sector agreements lengths from the first to the second periods occurred in Nova Scotia (from 32.3 to 44.4 months) and Newfoundland and Labrador (from 25.6 to 33.8 months). In the public sector, increased durations were reported in New Brunswick (from 39.6 to 46.2 months) and Prince Edward Island (from 25.6 to 33.8 months). Although the average duration has increased in the Atlantic Provinces as a whole, it is in Prince Edward Island and New Brunswick that it has seen the greatest increase, going from 26.8 to 35.4 months and 39.7 to 45.2 months, respectively. By comparison, it has moved from 34.8 to 37.9 months in Nova Scotia, and from 35.8 to 38.5 months in Newfoundland and Labrador.

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[8] For the 1994–2003 decade, the average duration of collective agreements was of 32.5 months (37.2 months in the private sector, and 30.6 months in the public sector).

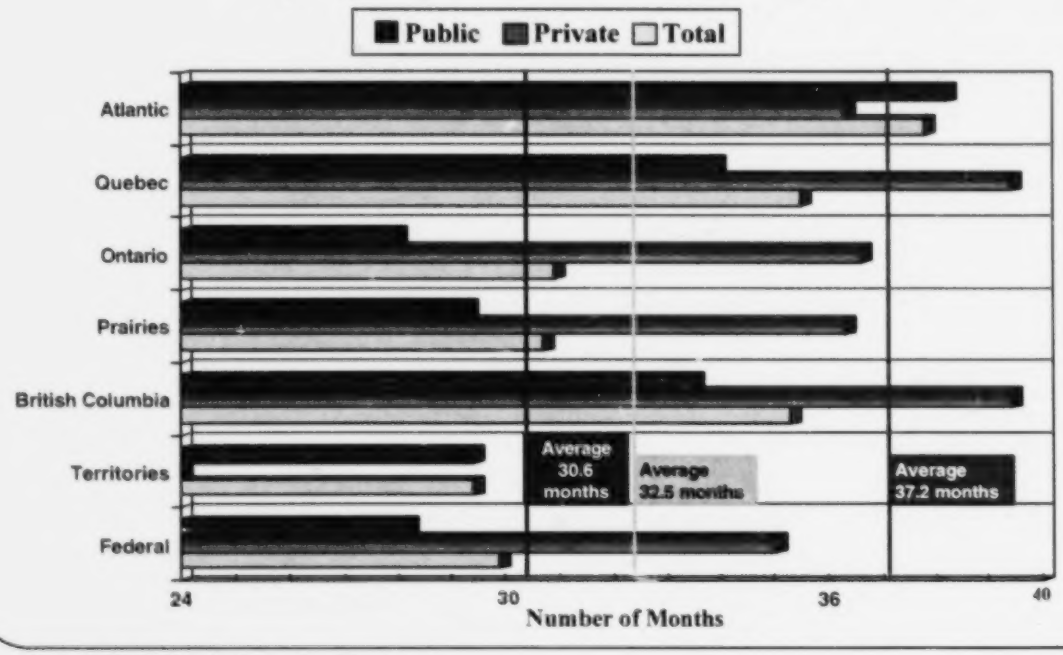
[9] The average duration for the public sector was 33.9 and 33.5 months, respectively.

[10] Namely 598 collective agreements with an average duration of 22.5 months. There were 281 during 1994–1998, with an average duration of 21.8 months, and 317 during 1999–2003, with an average duration of 23 months.

[11] This refers to 287 collective agreements covering 457,378 employees, or 7.3 per cent of all collective agreements and 5.2 per cent of employees covered.

Chart D

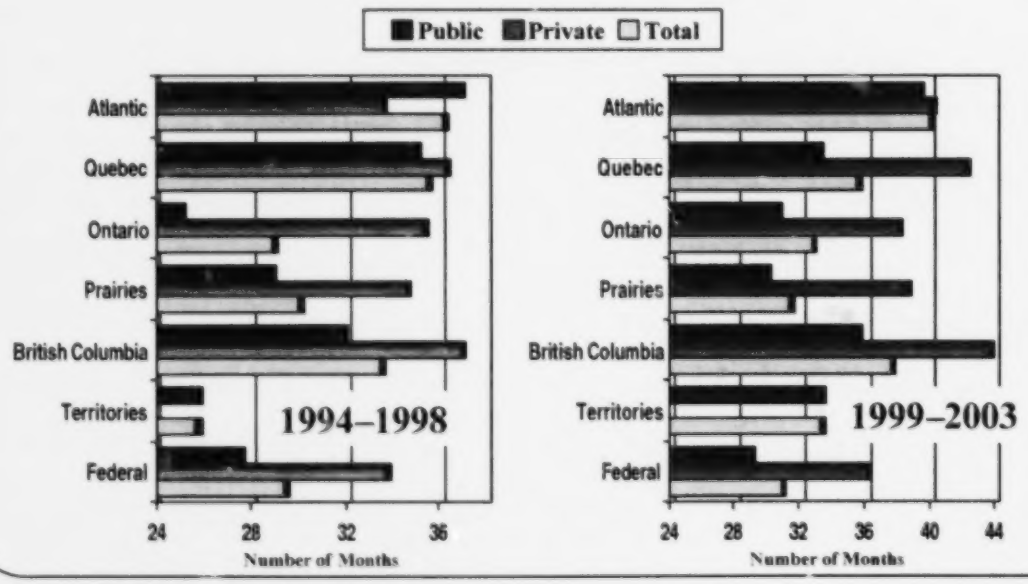
Average Duration of Collective Agreements Ratified by Region/Jurisdiction and Sector (1994–2004)



Source: Workplace Information Directorate.

Chart E

Average Duration of Ratified Collective Agreements by Region/Jurisdiction, Sector and Period



Source: Workplace Information Directorate.

In the private sector during the 1999–2003 period, if we exclude Prince Edward Island and Nova Scotia,[12] Quebec and British Columbia recorded the longest average duration with 42.2 and 43.6 months, respectively.[13] In the first instance, it was an increase of 5.9 months compared to the previous period, while in the second, the increase was 6.7 months. While the average duration in the Quebec public sector decreased slightly to 33.1 months, in British Columbia it went from 31.8 to 35.5 months. In Ontario, the duration was greater in the public sector, where the average length went from 25.1 to 30.6 months, while in the private sector it went from 35.3 to 38 months.

In the Prairie Provinces, the most significant increase in duration occurred in the private sector where the average length went from 34.6 to 38.5 months. If we exclude Manitoba, where the average private sector duration went down nearly 4 months between 1994–1998 (39.9 months) and 1999–2004 (36.1 months), it has increased in the other jurisdictions. Specifically in Alberta, where it has gone from 32 to 39.3 months, and Saskatchewan (from 37.8 to 40.2 months). In the public sector, the average duration has remained stable at 35 months in Saskatchewan, while it has gone down in Alberta (from 28.3 to 25.3 months) and up in Manitoba (from 25.1 to 33.9 months).

The proportion of long-term collective agreements is highest in New Brunswick (59,6 per cent) and in Quebec (40.9 per cent).[14] Moreover, this proportion is much higher within the New Brunswick public sector (70.8 per cent) than in the private sector (47.8 per cent); it is similar in both sectors in Quebec.[15] These two provinces experienced the greatest increase with respect to these proportions between 1994–1998 and 1999–2003, namely from 52.6 per cent to 70.3 per cent in New Brunswick, and from 29.2 per cent to 51.3 per cent in Quebec (see Chart F). The most significant increase, between 1994–1998 and 1999–2003, was recorded for collective agreements of 48 months or more in Quebec where this proportion shot up from 19.6 per cent to 46.4 per cent. The adoption of Bill 116 (May 19, 1994)—a modification to the *Quebec Labour Code*—allowed for the settlement of collective agreements with a duration of more than 36 months, except for a first-time collective agreement. By comparison, it went from 41.3 per cent to 54.2 per cent in New Brunswick.

The low proportion of long-term agreements in Ontario (11.8 per cent) should be noted in the context that this province accounts for 40 per cent of ratified agreements and 30 per cent of employees covered. Though there are no significant differences between the 1994–1998 and 1999–2003 periods, long-term collective agreements are more numerous in the private sector (23.3 per cent) than in the public sector (5.4 per cent). The situation in the Prairie Provinces is very similar to that of Ontario, although the various differences are relatively smaller. Between 1994–1998 and 1999–2003, the proportion of long-term collective agreements increased from 14 to 19.6 per cent in Manitoba, and from 10.5 to 23.5 per cent in Saskatchewan. It decreased in Alberta from 14.7 to 9.9 per cent. In the case of private and public sector proportions, they are 25.4 and 13.3 per cent in Manitoba, 33.3 and 10.3 per cent in Saskatchewan, and 18.9 and 10.5 per cent in Alberta, respectively.

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[12] In the case of Prince Edward Island, we are referring to two 48-month agreements, and in Nova Scotia, to 18 agreements with an average duration of 44.4 months.

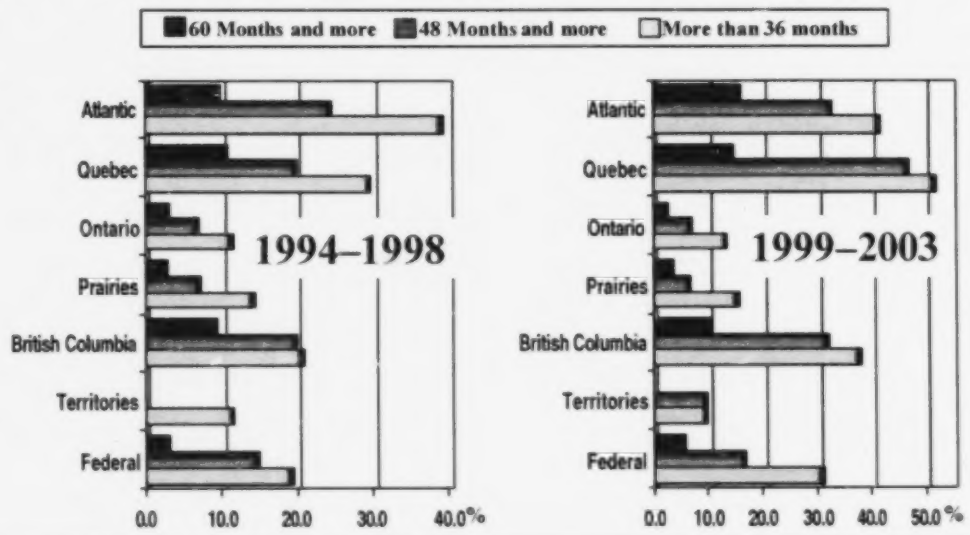
[13] While in Quebec the overall average duration remained stable at 35.5 months between the two periods, it went from 33.5 to 37.6 months in British Columbia.

[14] 56 of the 94 collective agreements ratified in New Brunswick, and 236 of the 577 ratified in Quebec between 1994 and 2003 were longer than 36 months.

[15] The private sector averages 41.7 percent while the public sector averages 40.2 per cent.

Chart F

Proportion of Ratified Collective Agreements by Region/Jurisdiction, Duration and Period



Source: Workplace Information Directorate.

Finally in British Columbia we notice a strong increase in long-term collective agreements which rise from 20.4 per cent in 1994–1998 to 37.2 per cent in 1999–2003. This is also the case for agreements of 48 months or more that go from 19.6 per cent to 31.4 per cent. The proportion of long-term collective agreements is much greater in the private sector: namely 40.8 per cent for agreements with a length of more than 36 months, 37.2 per cent for those of 48 months or more, and 16.2 per cent for those of 60 months or more.[16]

This general increase in long-term collective agreements also applies to the federal jurisdiction where the proportion went from 18.9 per cent in 1994–1998 to 30.4 per cent in 1999–2003. The proportion of long-term collective agreements is twice as high in the private sector where it reached 33.3 per cent for agreements of more than 36 months, and 20.4 per cent for those 48 months in duration or more.

Long-Term Collective Agreements by Industry

The average duration of collective agreements ratified between 1994 and 2003 varies greatly by industry. In the education, health and social services sector, the average length of collective agreements is 30.6 months (see Chart G), and has increased slightly between the 1994–1998 and 1999–2003 periods, going from 29.8 to 31.3 months.

The only sectors showing lower average durations are the public administration and the utilities sectors where the average length is 29.1 and 30.5 months respectively. However, between 1994–1998 and 1999–2003, the duration has increased, going from 27.9 to 30.2 months in the public administration sector, and from 25.3 to 36.1 months in the utilities sector.

[16] In the public sector, these proportions are 17.2 per cent for agreements exceeding 36 months, 14.5 per cent for those 48 months or more, and 3.1 per cent for those 60 months or more.

Together, the education, health and social services and the public administration sectors account for more than half of all agreements ratified (55 per cent) and nearly two thirds of employees covered (62.9 per cent).[17] Thus they exert a strong influence on the average duration of collective agreements. Were we to exclude them, the average overall length of collective agreements would increase by 3.8 months to reach 36.3 months and, looking only at 1999–2003, it would rise further to 38.5 months.

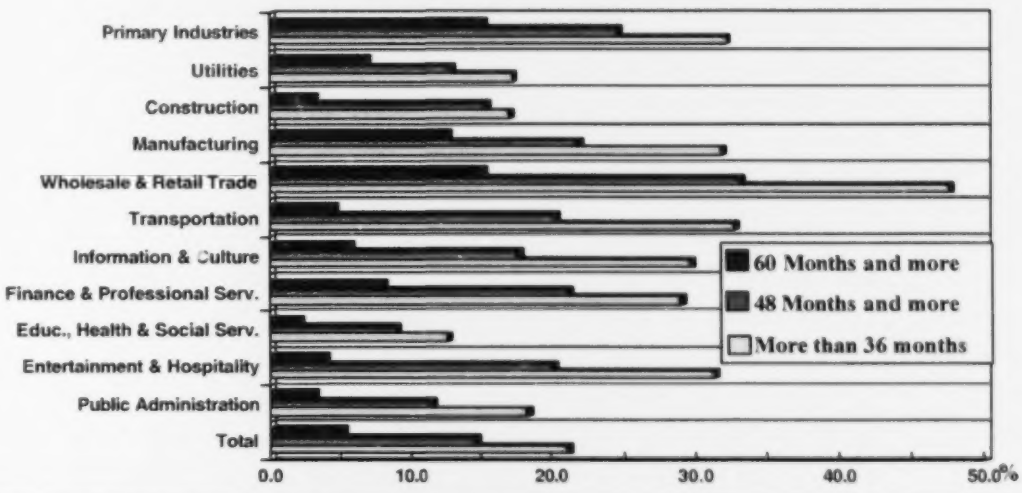
Indeed, the proportion of long-term collective agreements for these two sectors is only 14 per cent. In the public administration sector, this proportion even went down from 19.9 per cent to 16.4 per cent between 1994–1998 and 1999–2003, while it doubled to 16.4 per cent in the education, health and social services sector (see Chart H).

Looking only at long-term collective agreements, the education, health and social services sector accounts for a quarter of all agreements (24.2 per cent), and 141 (70.9 per cent) of those are 48 months or more in duration. Moreover, the proportion they represent in long-term collective agreements overall has gone from 17.1 per cent to 29.5 per cent between 1994–1998 and 1999–2003, while collective agreements of 48 months or more doubled to 31.4 per cent.[18] The public administration and the education, health and social services sectors account for more than one third (36.8 per cent) of all long-term collective agreements.

For the period as a whole, the wholesale and retail sales sector[19] recorded the longest average duration with 45.9 months, as well as the greatest number of long-term collective agreements

Chart G

Proportion of Long-Term Agreements by Sector and Duration (1994–2003)



Source: Workplace Information Directorate.

[17] The education, health, and social services sector, which accounts for 40 per cent of collective agreements and employees covered, only accounts for 12.5 per cent of long-term collective agreements.

[18] Namely 105 of the 334 collective agreements of 48-months or more ratified during the 1999–2003 period.

[19] This sector however only represents 4.0 per cent of agreements and employees covered.

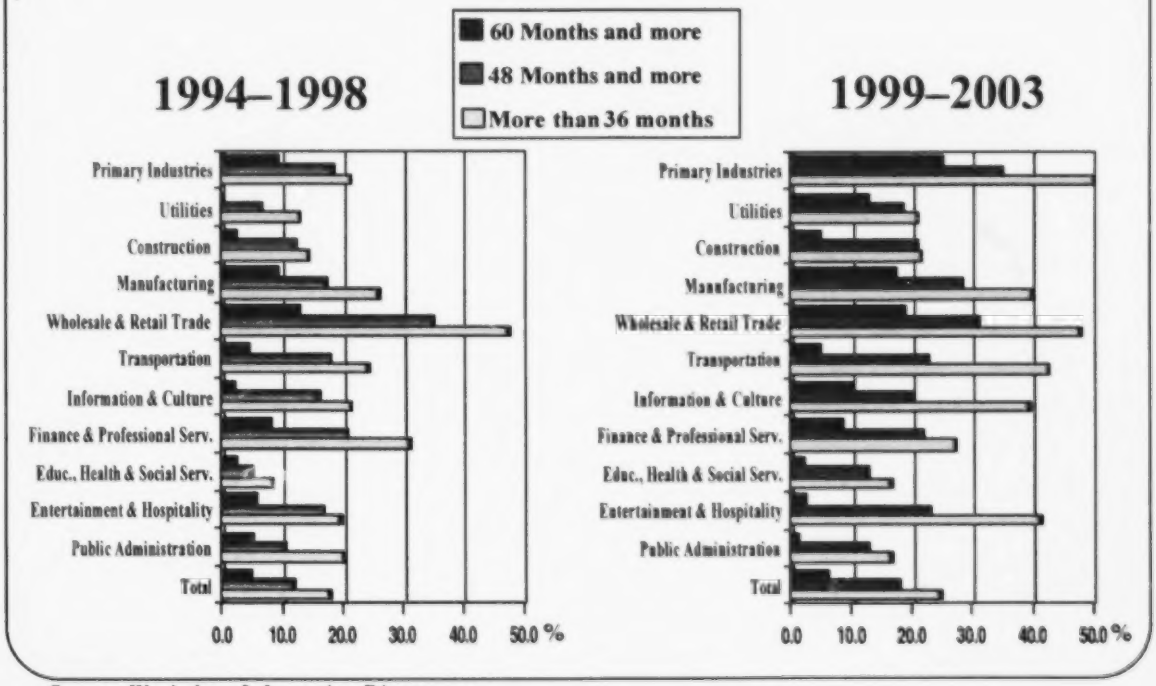
(47.5 per cent). The length of agreements increased by 6.1 months in this sector between 1994–1998 and 1999–2003, rising from 43.1 to 49.2 months. This sector is influenced by the retail food sector which represents 40.6 per cent of the 160 agreements ratified with an average duration of 50.3 months. Half of the 65 long-term collective agreements of the retail food sector have a duration of 60 months or more. In this sector, competition is the fiercest.

In terms of the average duration of collective agreements, the retail food sector is followed by the primary industries sector (38.6 months), the finance and professional services sector (38.2 months) and the entertainment and hospitality sector (37.3 months). Between 1994–1998 and 1999–2003, the average duration went from 36 to 43 months for the primary industries sector, from 32.8 to 42 months in the finance and professional services sector, and from 34.4 to 39.8 months in the entertainment and hospitality sector. However, these three sectors only represent 5.3 per cent of collective agreements, and approximately 2.8 per cent of employees covered. Even though the proportion of long-term collective agreements is relatively stable in the finance and professional services sector (30 per cent), it rose from 21.2 per cent to 50 per cent in the primary industries sector, and from 19.4 per cent to 40.9 per cent in the entertainment and hospitality sector.[20]

In terms of ratified collective agreements, the two most important sectors after the education, health and social services and public administration sectors are the manufacturing (642 agreements) and

Chart H

Proportion of Long-Term Agreements by Sector, Duration and Period



Source: Workplace Information Directorate.

[20] In the case of primary industries, this only represents 10 of the 20 collective agreements ratified in this sector during the 1999–2003 period, and in the entertainment and hospitality sector, 18 of the 44 ratified collective agreements.

construction (288 agreements) sectors. They account for nearly one quarter (23.7 per cent) of collective agreements, and 16.8 per cent of employees covered.[21] The average duration of collective agreements in the manufacturing sector is 37 months, while it was 34.5 months in the construction sector. From 1994–1998 to 1999–2003, the lengthening of the average duration was approximately three months in both cases, rising to 38.7 months in the manufacturing sector, and to 36.1 months in the construction sector.

The manufacturing sector accounts for the greatest number of collective agreements of 60 months or more (nearly 40 per cent of agreements),[22] while nearly 70 per cent of long-term agreements in that sector are 48 months or more in duration. In the construction sector, nearly 90 per cent of long-term agreements are 48 months or more[23] in duration. As to the proportion of long-term collective agreements ratified in these sectors, it rose during the two periods (1994–1998 to 1999–2003), from 25.8 per cent to 39.6 per cent in the manufacturing sector, and from 14.2 per cent to 21.4 per cent in the construction sector.

The transportation sector comes next with 223 collective agreements. In fact, 75 per cent of agreements ratified in this sector were from the federal jurisdiction[24] where they represent 44 per cent of all collective agreements.[25] In the transportation sector, the average life of collective agreements is 35.8 months (ditto for those from the federal jurisdiction); the average duration has increased by 4.3 months from 1994–1998 to 1999–2000 to reach 38 months. Moreover, the proportion of long-term collective agreements ratified in the transportation sector is 32.7 per cent, and 62.6 per cent of these have an average duration of 48 months or more. The proportion of long-term collective agreements went from 23.9 per cent for the 1994–1998 period to 42.5 per cent for the 1999–2003 period.

Conclusion

The average duration of collective agreements from 1994 to 2003 has continued to increase, reaching 32.5 months. In fact, it went from 31.3 in 1994–1998, to 33.6 months in 1999–2003. This phenomenon is more prevalent in the private sector where the average length reached 37.2 months, and which accounts for half of all long-term collective agreements.

This analysis has shown that a collective agreement exceeding 36 months in duration is often—more specifically 7 out of 10 times—48 months or more in duration. Finally, there does not seem to be a significant difference between the average duration of collective agreements in the public and private sectors if we focus solely on long-term collective agreements.

Moreover, the average duration and the proportion of long-term collective agreements vary widely from one province to another. Indeed, the average duration is higher in the Maritimes, Quebec and British Columbia, but shorter in Ontario and the Federal jurisdiction. In Ontario, the elementary and secondary education sector has significantly influenced the average length of collective agreements.

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[21] Namely 790,330 employees from the manufacturing sector and 704,176 from construction. Given the lower number of agreements in the construction sector, it may be surmised that the number of employees covered by each agreement is much higher (more than double).

[22] Namely 80 agreements out of 203.

[23] Namely 44 of the 49 ratified long-term collective agreements.

[24] Namely 168 collective agreements.

[25] Namely 382 collective agreements.

Data for the Maritimes remain largely dependent on the results from New Brunswick. The proportion of long-term collective agreements is much greater in New Brunswick and Quebec. This proportion however is quite low in Ontario, which accounts for a large part of agreements ratified during the period. Finally, the important increase in the number of long-term collective agreements in British Columbia and the federal jurisdiction between 1994–1998 and 1999–2000, particularly in the private sector, must not be overlooked.

Much variance has been reported from one industry to another. First we highlighted the shorter length of collective agreements in the education, health, and social services and public administration sectors, which nevertheless account for the majority of collective agreements and employees covered, particularly for the years 2000 to 2002 when numerous 12-month collective agreements were ratified within this sector. In the education, health, and social services sector, the proportion of long-term collective agreements ratified during the period is relatively low (12.5 per cent) compared to their numerical importance (40.4 per cent).

It should be noted that these two sectors are subject to less competition, as compared to the wholesale and retail sales sector where the longest long-term collective agreement as well as the highest proportion of long-term agreements are found—in particular the retail food sector where half of collective agreements were 60 months or more in duration. In addition, the manufacturing sector accounts for nearly half of collective agreements of 60 months or more in duration. In this respect, we had highlighted, in 1999, the impact of 72-month collective agreements, ratified in the pulp and paper industry.

Finally, though it is unlikely that there will be a significant rise in the average duration of collective agreements in the years to come, it remains possible that this average could remain stable. Any development in this respect would largely be attributable to the evolution occurring in the public administration and elementary and secondary education sectors in Ontario.

Workplace Information

Information sur les milieux de travail

WORK STOPPAGES

Workplace Information Directorate
Labour Program, Human Resources and Skills Development Canada

Third Quarter 2004 (500 or More Employees)

During the third quarter of 2004, there were 12 work stoppages involving 500 and more employees in Canada that resulted in 661,500 person-days not worked. Three major work stoppages represented 65 per cent of the person-days not worked. The strike involving Aliant Telecom inc., involving 4,300 employees, accounted for 240,800 person-days not worked and represented 36 per cent.

The second work stoppage was between Canada Revenue Agency and the Public Service Alliance of Canada and accounted for 125,000 person-days not worked, representing 19 per cent.

Finally, the work stoppage involving 1,250 employees of Iron Ore Company of Canada represented 63,390 person-days not worked and accounted for approximately 10 per cent of the total of person-days not worked in the third quarter.

Table 1

Major Work Stoppages—Third Quarter 2004

by Jurisdiction

Jurisdiction	Stoppages	Employees Involved	Person-Days Not Worked
Nfld. and Labrador	1	1,250	63,390
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	1	560	1,200
Quebec	1	790	48,190
Ontario	3	3,600	80,850
Manitoba	1	500	3,000
Saskatchewan	-	-	-
Alberta	-	-	-
British Columbia	1	650	5,570
Territories	-	-	-
Multiprovince	-	-	-
Total Provinces	**8**	**7,350**	**202,200**
Canada Labour Code—Part I	1	4,300	240,800
Federal Administration	3	40,500	218,500
Federal Total	**4**	**44,800**	**459,300**
Total	**12**	**52,150**	**661,500**

by Industry

Industries	Stoppages	Employees Involved	Person-Days Not Worked
Primary Industries	1	1,250	63,390
Utilities	-	-	-
Construction	2	2,500	43,000
Manufacturing	3	2,390	89,040
Wholesale and Retail Trade	-	-	-
Transportation	-	-	-
Information and Culture	1	4,300	240,800
Finance and Professional Services	-	-	-
Education, Health and Social Services	1	560	1,200
Entertainment and Hospitality	1	650	5,570
Public Administration	1	40,500	218,500
Various Industries	-	-	-
Total	**12**	**52,150**	**661,500**

Source : Workplace Information Directorate.

Third Quarter 2004 (One or More Employees)

Please note that the following data refers to work stoppages which began during the quarter as well as those carried over from all previous quarters.

Table 2

All Work Stoppages
Cumulative to September 30, 2004

by Jurisdiction

Jurisdiction	Stoppages	Employees Involved	Person-Days Not Worked
Nfld. and Labrador	6	20,165	441,670
Prince Edward Island	-	-	-
Nova Scotia	4	1,285	31,130
New Brunswick	6	1,030	16,740
Quebec	106	13,197	388,799
Ontario	77	18,783	423,880
Manitoba	6	640	5,200
Saskatchewan	6	2,241	27,070
Alberta	2	398	10,860
British Columbia	14	45,559	600,740
Territories	-	-	-
Multiprovince	-	-	-
Total Provinces	**227**	**103,298**	**1,946,089**
Canada Labour Code—Part I	15	10,841	597,770
Federal Administration	3	40,500	218,500
Federal Total	**18**	**51,341**	**816,270**
Total	**245**	**154,639**	**2,762,359**

by Industry

Industries	Stoppages	Employees Involved	Person-Days Not Worked
Primary Industries	5	2,684	103,400
Utilities	4	520	10,230
Construction	8	6,085	87,950
Manufacturing	79	10,630	427,879
Wholesale and Retail Trade	25	2,537	63,790
Transportation	13	7,139	139,860
Information and Culture	7	4,533	461,890
Finance and Professional Services	10	477	22,560
Education, Health and Social Services	41	53,111	647,990
Entertainment and Hospitality	37	6,801	207,870
Public Administration	16	60,122	588,940
Various Industries	-	-	-
Total	**245**	**154,639**	**2,762,359**

Source : Workplace Information Directorate.

*A weekly listing of **major work stoppages in Canada** and a **full chronological perspective** are available on the Workplace Information Directorate Web site at*

http://www.hrsdc.gc.ca/en/lp/wid/info.shtml.

All Work Stoppages

Table 3

A Chronological Perspective of All Work Stoppages

Period	Number Beginning Month or Year	In Existence During Year or Month[1]			Percentage of Estimated Working Time
		Total Number	Employees Involved	Person-Days Not Worked	
1995	282	328	149,159	1,583,070	0.05
1996	297	330	275,666	3,269,060	0.11
1997	229	284	257,664	3,607,710	0.12
1998	341	381	244,402	2,443,870	0.08
1999	358	413	158,415	2,442,580	0.08
2000	321	379	143,456	1,656,790	0.05
2001	324	381	220,499	2,198,850	0.07
2002	251	294	167,987	3,033,540	0.09
2003	221	266	79,481	1,736,362	0.05
2004*	208	245	154,639	2,762,359	0.10
* Year-to-date					
2003					
September	22	64	10,179	95,200	0.03
October	16	61	5,393	79,660	0.03
November	17	53	10,638	127,550	0.04
December	9	52	17,052	114,870	0.04
2004					
January	13	50	6,944	46,369	0.02
February	27	62	10,801	98,360	0.03
March	20	65	11,930	131,990	0.05
April	32	69	76,383	696,440	0.24
May	26	71	60,796	601,640	0.20
June	24	74	14,029	208,440	0.07
July	29	82	15,909	233,360	0.08
August	19	90	21,425	324,895	0.11
September	18	81	54,806	420,865	0.14

[1] Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source : Workplace Information Directorate.

TECHNICAL NOTES

Data on work stoppages collected by the Workplace Information Directorate of the Labour Program, Human Resources and Skills Development Canada, covers strikes and lockouts which amount to 10 or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during the negotiating process.

Developments leading to work stoppages are sometimes too complex to make it practicable to distinguish between strikes on the one hand and lockouts on the other.

The major characteristics of work stoppages on which information is gathered are:

Employer—Firm or firms employing the employees reported on strike or locked out.

Location—Location of the plant or premises at which the work stoppage occurred.

Industry—Industry of employer according to the North American Industry Classification System (1997).

Union—The workers' organization(s) directly involved or concerned in the dispute that led to work stoppage.

Workers Involved—The total number, or approximate total number, of employees reported on strike or locked out, whether or not they all belonged to the union. Where the number of employees involved varied in the course of the stoppage, the maximum number is used in tabulating annual or other totals. (Where a stoppage commenced in a previous year, the maximum number during the whole stoppage is the number used). Monthly totals are similarly based on the highest figures but allowance is made for changes reported in stoppages extending over two or more months. The total number of employees shown may include the same employees more than once if they are involved in more than one work stoppage during the year (or other reference period). Employees indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on employees involved.

Starting Date—The day on which the work stoppage began.

Termination Date—The termination date is the day on which work was resumed. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the employees involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the work stoppage would not be resumed.

Duration – The duration of each stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week).

Duration in Person-Days—Duration in working days multiplied by the number of employees involved. For work stoppages involving establish-

ments in which the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. The data on duration of work stoppages in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended as a measure of the loss of production time to the economy. The expression "time loss" is occasionally used instead of "duration in person-days." The term most commonly used is person-days not worked due to the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid employees in Canada obtained from the *Labour Force Survey* of Statistics Canada.

Jurisdiction—Statistics on work stoppages are also classified according to jurisdiction. This is done on the basis of the government and those businesses covered by Part 1 of the *Canadian Labour Code* whose industrial relations statistics are applicable to the establishment involved in the dispute. (The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province, except where the Federal jurisdiction is involved.)

The data reflect all work stoppages that have come to the notice of Workplace Information Directorate, and meet the criteria defined above, e.g. minimum person-days. The methods used to secure this information are believed to be adequate to preclude the possibility of major omissions.

Source: Workplace Information Directorate, Labour Program, Human Resources and Skills Development Canada, May, 2003.

Workplace Information

Information sur les milieux de travail

Selected Provisions in Collective Agreements

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Grievance Settlement System

The Grievance Settlement System is an important tool within organizations since it provides for the protection of an employee from any ill treatment that may occur in the work environment. The settlement of grievances assists in conflict resolution between the employee and employer.

This article will familiarize the reader with the fundamentals of grievances and grievance settlement procedures. The results of a study into the possible link between the rate of access to grievance settlement systems and unionization within organizations are also presented.

1. Types of Grievances

In order to understand the essentials of the grievance settlement system, the terminology associated with it must be defined and interpreted. Thus, a **grievance** is a complaint that a worker covered by a collective agreement may file under the terms of that agreement (Dion 1976). Such a complaint may also be submitted by the union representing the aggrieved employee. The grievance may be remedial or interpretive in nature, individual or collective, and originate with the union or the employer. According to Bernatchez (1994), while a **remedial grievance** is aimed at reinstating rights presumably not recognized pursuant to a decision that was made and implemented, an **interpretive grievance** is intended to obtain an arbitration decision with respect to a formal measure not yet implemented. An **individual grievance** is filed by an individual, while a **collective grievance** addresses the interests of a group of individuals. A **union grievance** is drafted by a representative association for its membership, and an **employer grievance** is filed by an employer against a union.

2. Sources of Grievances

Grievances may arise from two situations. First, they may be the result of a violation of a collective agreement's provisions. According to Bernatchez (1994), these grievances reflect a certain level of inability on the part of the parties to resolve workplace issues, and reveal a lack of communication between employer and union representatives.

In Canada, grievance settlement provisions are found in all labour relations legislation. These laws prohibit strike action during a collective agreement's lifetime where differences of opinion occur with respect to the interpretation or application of the various clauses. The grievance settlement procedure is thus, in such circumstances, the only recourse available.

Second, certain non-unionized organizations implement employee complaint settlement procedures and often use the same terminology, namely grievance and grievance settlement procedure. In this context, the grievance is generally the result of a violation of legislative provisions such as minimum employment standards or human resource management policies and practices.

3. Grievance Settlement Procedure

The grievance settlement procedure includes, in its widest interpretation, all concepts that must be

considered in order to arrive at a settlement. Doyle (1999) identified the four main roles of this procedure:

1) It assumes a **compliance role** by ensuring that both parties adhere to and respect the collective agreement.

2) It assumes a **judicial and adjudicative role** for industrial organizations by interpreting the collective agreement and rules of behaviour and by serving as the dispute resolution procedure for disagreements which arise during the life of the collective agreement.

3) It serves an **administrative role** by applying the rules of the contract and offers guidance in the administration of the collective agreement. Through the grievance process, management and union representatives serve as expert trouble-shooters who investigate disputes on behalf of their constituencies and endeavour to reach a settlement.

4) It may serves as a **forum for "fractional bargaining"** where one party attempts to secure concessions it could not obtain at the bargaining table or win back what it has lost at the bargaining table.

The processing of a grievance differs from one organization to the next since it depends on the terms arrived at through collective bargaining. However, the grievance settlement procedure normally begins with the drafting and submitting of a complaint to the immediate supervisor. If the complaint is not resolved at that level, it is sent to a management committee. The result often depends on employees' unionization. Indeed, "Most cases involving non-unionized workers do not go beyond this level; however, some cases, especially those involving unionized workers, can be taken further—a labour-management committee and even outsidearbitration" (Akyeampong 2003).

The application of such a procedure in an organizational environment may have positive psychological and financial implications. It helps reduce employee stress and fears in a non-aggressive way during periods of conflict and provides for the resolution of disagreements or conflicts without resorting to work stoppages or economic sanctions. Such a procedure may, however, come at a price, in terms of both money and time, and imply as well the participation of a third party in order to resolve the conflict. This last aspect has the effect of limiting the employer's rights while wresting control of the issues away from the union (Doyle 1999).

In the event of a grievance, organizations and unions may opt for mediation or arbitration to reach agreement.

3.1 Grievance Mediation

The parties involved may opt for mediation before escalating to arbitration. Grievance mediation is a process by which union and management try to resolve their differences through negotiation, with the assistance of a skilled, impartial third-party mediator (Elliot and Goss 1994).

The role of the mediator is of paramount importance throughout the mediation process. His role is to bring the diverging sides to an objective understanding of the disagreement, to seek avenues of resolution and to work toward obtaining an agreement (Bélanger et al. 1996). If the process fails to resolve the conflict and the mediator is discharged, the process will be known as pre-arbitral grievance mediation. If, however, the mediator subsequently acts as arbitrator, the process will be referred to as arbitral grievance mediation (de Kovachich et al. 1997).

In Canada, of the 1,111 current collective agreements (covering 2,193,469 employees) listed by Human Resources and Skills Development Canada's Workplace Information Directorate, 174 (652,730 employees), or 15.7 per cent, include grievance mediation clauses. Of these 174 agreements, fully

74.7 per cent, or 130 agreements covering some 602,810 employees, are from the public sector. The provinces accounting for most of the collective agreements that include grievance mediation clauses are Ontario with 39.1 per cent (68 agreements covering 213,180 employees) and Quebec with 19.5 per cent (34 agreements covering 224,930 employees).

Moreover, of the 174 agreements containing such a clause, 55.2 per cent were ratified within the education, health and social services sector (96 agreements covering 424,600 employees).

Following is a relevant excerpt from one collective agreement:

Les caisses populaires du Saguenay-Lac St-Jean and Syndicat des salariés(es) des caisses populaires du Saguenay-Lac-St-Jean (CSN), 1998–2003, 1018202.

[Translation]
Appendix "E" Pre-Arbitral Mediation

When the parties agree to submit a grievance to pre-arbitral mediation, the terms of mediation shall be included in the protocol signed by the parties to this effect.

The protocol ...

MEDIATION PROTOCOL

WHEREAS mediation is a voluntary mode of conflict and dispute resolution between two parties to an agreement;

WHEREAS mediation is intended to facilitate the settlement of these through solutions acceptable to both parties;

WHEREAS mediation involves the participation of a third party whose role it is to suggest solutions to both parties;

WHEREAS both parties wish to avail themselves of this formula, on an experimental basis and aside from the normal grievance procedure;

WHEREAS there is cause to establish rules in order to ensure a clear and coherent framework for this measure;

IT IS UNDERSTOOD THAT THE PARTIES AGREE TO RESPECT THAT WHICH FOLLOWS:

1. MEDIATION

In case a disagreement with respect to the interpretation or application of the collective agreement during its lifetime should lead to a grievance being filed, the parties agree to attempt to initially submit such disagreement in good faith to Me Jean M. Morency, in his capacity as mediator, before referring the issue to arbitration.

2. REQUEST FOR MEDIATION

The Labour Relations Committee may, in the absence of an agreement aimed at finding a solution to the issue submitted, refer said issue for mediation.

The request for mediation addressed to the mediator shall contain a brief summary of the issues and subjects pertaining to the disagreement in addition to providing the respective positions of the parties involved.

3. CONTENTS OF THE REQUEST

The request for mediation addressed to the mediator shall contain a brief summary of the issues and subjects pertaining to the disagreement in addition to providing the respective positions of the parties involved.

4. REFERRAL FOR MEDIATION

Within ten (10) business days of receipt of a request for mediation, the mediator shall set, with the parties' assent, a date and place for the hearing, followed by a written agreement to this effect.

5. MEDIATOR'S POWERS

The mediator shall have the authority to conduct the mediation in the presence of each party as well as to maintain decorum. He must listen to the parties and suggest avenues to resolution which in his view are equitable, but at no time is he empowered to impose such solutions.

At the end of the session he may submit his suggestions orally or in writing, or simply terminate the session without comment if in his opinion any further attempts at a resolution are likely to be futile and destined to failure.

6. CONFIDENTIALITY

Should mediation fail, the solutions put forth by the mediator or the admissions and propositions formulated by both parties will be deemed never to have existed and must not be brought to the attention of the arbitrator or judge called upon to adjudicate the issue.

7. END OF MEDIATION

Mediation will end:

a) With the conclusion of an agreement between the parties;

b) With a declaration by the mediator to the effect that mediation is destined to failure;

c) With a written denunciation from both parties declaring their intent to end the mediation process.

8. EXCLUSION OF LIABILITY

In no way will the mediator be held liable for actions and omissions occurring during the mediation session and in no way will he be held accountable for the contents of mediation sessions held in his presence before any tribunal.

9. FEES AND COSTS

The parties agree to evenly cover the $300 fee per session (maximum of three (3) hours) and to cover, in a similar fashion, the costs associated with the sessions.

3.2 Grievance Arbitration

Arbitration is the final phase in the grievance settlement process. It is called upon when all other options have failed. The parties normally attempt to avoid this phase since it implies that a third party (the arbitrator) will render a binding determination aimed at resolving the conflict. Further information on grievance arbitration may be found in the article entitled "Interest Arbitration and Arbitration Rights in Canada" (Bédard 2003).

However, the parties may agree to opt for expedited arbitration, a grievance settlement procedure that is faster and less hindered by judicial intrusion. When this type of arbitration is selected, the grievance is presented to a single arbitrator who will render the appropriate decision following concise and informal hearings with shorter deadlines at each phase of the procedure. This decision is final; its application does not in any way change any provisions of the collective agreement and deems the relevant grievance permanently resolved; in addition, the decision is made without precedent or prejudice to similar or like cases.

This type of clause is found in 175 (739,730 employees) or 15.8 per cent of the 1,111 collective agreements listed. Of these 175 agreements, 58.3 per cent are from the public sector, or 102 agreements covering 607,870 employees. The provinces with the highest incidence of this type of clause are British Columbia with 28.6 per cent (50 agreements covering 204,880 employees), Quebec with 22.9 per cent (40 agreements aimed at 151,610 employees) and Ontario with 17.7 per cent (31 agreements covering 74,210 employees).

Expedited arbitration clauses appear most often in three specific canadian industrial sectors: the education, health and social services sector (63 agreements covering some 316,580 employees); the manufacturing sector (33 agreements for 68,080 employees); and the transportation sector (21 agreements covering 89,310 employees).

Following are relevant excerpts from collective agreements:

Treasury Board and Union of Canadian Correctional Officers, 2001–2002, 0932105

Expedited Adjudication

a) At the request of either party, a grievance that has been referred to adjudication may be dealt with through Expedited Adjudication with the consent of both parties.

b) When the parties agree that a particular grievance will proceed through Expedited Adjudication, the Bargaining Agent will submit to the PSSRB the consent form signed by the grievor or the Bargaining Agent.

c) The parties may proceed with or without an Agreed Statement of Facts. When the parties arrive at an Agreed Statement of Facts, it will be submitted to the PSSRB or to the Adjudicator at the hearing.

d) No witnesses will testify.

e) The Adjudicator will be appointed by the PSSRB from among its members who have had at least three years' experience as a member of the Board.

f) Each Expedited Adjudication session will take place in Ottawa, unless the parties and the PSSRB otherwise agree. The cases will be scheduled jointly by the parties and the PSSRB, and will appear on the PSSRB schedule.

g) The Adjudicator will make an oral determination at the hearing, which will be recorded and initialled by the representatives of the parties. This will be confirmed in a written determination to be issued by the Adjudicator within five days of the hearing. The parties may, at the request of the Adjudicator, vary the above conditions in a particular case.

h) The Adjudicator's determination will be final and binding on all the parties, but will not constitute a precedent. The parties agree not to refer the determination to the Federal Court.

Canada Post Corporation and Association of Postal Officials of Canada, 2001–2005, 0405908

Expedited Arbitration

16.9 As an alternative to the formal arbitration process set out in the foregoing paragraphs, a grievance may be referred to a previously agreed-upon person who shall hear the grievance and who shall at the conclusion of the hearing, give a decision immediately. Such decisions may not be used to alter, modify or amend any part of this Agreement, and are made without precedent or prejudice to similar or like cases. Such a decision shall be final and binding upon both parties and no further action may be taken on that grievance by any means whatsoever.

4. Access to Grievance Settlement Systems

According to Akyeampong (2003), whose report *Unionization and the Grievance System* is based on data drawn from the 1999 *Workplace and Employee Survey*,[1] 49 per cent of the sample (or 5.8 million employees) of 10.8 million employees

[1] A joint Statistics Canada and Human Resources Development Canada initiative aimed at studying the manner in which employers and their respective employees respond to the evolving competitive and technological nature of the workplace. The 1999 sample comprised 6,400 establishments accounting for some 24,000 employees. It must be noted that the *Workplace and Employee Survey* does not include the public administration, agricultural and fisheries and trapping sectors, nor does it include private households.

declare having access to a grievance settlement system in their workplaces. Of these, 28 per cent declare they are unionized or are covered by a collective agreement.

The results of this study indicate that the rate of access to grievance settlement systems is higher for unionized employees (85 per cent) than for non-unionized employees (35 per cent). Thus employees from predominantly unionized sectors such as communications and other public services (74 per cent) and education and health services (71 per cent) have the highest rates of access to grievance settlement systems. Employees from the construction (32 per cent), real estate (32 per cent) and rental and leasing services (32 per cent) have the lowest.

Similarly, professional employees (66 per cent) tend to have a higher rate of access to grievance settlement systems than employees under age 25 (32 per cent), who generally tend to be less unionized.

The positive relationship between the rate of access to grievance settlement systems and unionization in the provinces is confirmed by statistics. While the rate of access in the Atlantic Provinces, Quebec, Ontario, Manitoba, Saskatchewan and British Columbia corresponds to the national average of 49.2 per cent, Alberta, which is the province with the lowest rate of unionization is also the one with the lowest rate of access, at 45.1 per cent.

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* These collective agreements are available in full on *Negotech* (http://www.hrsdc.gc.ca/en/lp/wid/info.shtml).

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Innovative Workplace Practices

Bruce Aldridge
Workplace Information Directorate
Labour Program, Human Resources and Skills Development Canada

This overview of workplace innovations is based on a review of 87 collective agreement settlements negotiated during the third quarter of 2004. Of these, 37 settlements contained provisions considered to be innovative or of particular interest.

Duration

Of the 87 settlements reviewed during the quarter, slightly fewer than 50 per cent (41 collective agreements) had a duration of 36 months. Almost half of these were in the construction industry with 11 province-wide settlements in Ontario and 8 in Alberta. Five settlements had durations of 12 months. Eight settlements had durations of between 21 and 29 months while 12 had durations of between 42 and 48 months. Eight settlements had durations of between 54 and 60 months. The five Air Canada settlements reported a duration of 61 months. Five forestry settlements had durations of 72 months while the longest duration covered in this period was a 74-month settlement between Westfair Foods Ltd., Real Canadian Superstore, Western Grocers and Extra Food Divisions, province-wide, British Columbia and United Food and Commercial Workers International Union.

Compensation

Four collective agreement settlements have reported **profit-sharing** plans: two in the forest industry and two in the steel manufacturing industry. The plan between the Council on Northern Interior Forest Employment Relations, in the northern interior of British Columbia and Industrial Wood and Allied Workers of Canada is based on the industry's return on capital investment and will provide annual lump-sum payments of $500 with respect to years two, four, five, and six of the collective agreement and $1,000 in year three. The plan with Canadian Forest Products Ltd., Mackenzie, British Columbia, and Pulp, Paper and Woodworkers of Canada is to be established in 2004 and is also based on the industry's return on capital.

Effective August 15, 2004, the profit-sharing plans in two settlements with Algoma Steel Inc., Sault Ste. Marie, Ontario and United Steelworkers of America provide employees with a $10,000 advance payment, prorated for employees who work less than 1,000 hours as of August 1, 2004. The balance, if any, will be paid by March 31, 2005. Future amounts will be paid in two instalments, 50 per cent of projected profit sharing in November 2005 and the balance paid 90 days after the end of the fiscal year.

The University of British Columbia, Vancouver, British Columbia and Faculty Association of the University of British Columbia have introduced **market adjustments** for the following classifications:

- General Librarians – the minimum salary schedule is to be increased at a cost not to exceed $50,000;
- Department of Economics – base salaries of selected faculty members will be increased in aggregate by the sum of $150,000; and
- Commerce and Business Administration – base salaries of selected faculty members will be increased in aggregate by the sum of $400,000.

The parties also negotiated **productivity payments** that provide for the recognition of the contributions of faculty members for the research and development in the area of fundraising activities. Lump-sum payments of up to 1.0 per cent of salary will be payable on June 30, 2006 if specified targets are achieved.

A **stock purchase** plan has been negotiated between Cooper-Standard Automotive (Canada) Limited, Stratford, Ontario and Canadian Auto Workers. For every dollar the employee contributes to the plan, the employer will contribute 25 per cent of that amount to the employee's defined contribution pension account, to a maximum of $320 per month.

The National Gallery of Canada and the Canadian Museum of Contemporary Photography, Ottawa, Ontario and Public Service Alliance of Canada have a **service pay** provision which provides a 2.0 per cent increase on base salary to employees once every year on the employee's anniversary of hiring or promotion if the employee has not reached the maximum of scale; effective July 1, 2004, 2.5 per cent and July 1, 2005, 2.5 per cent. If in any year, the full percentage can not be applied because the employee's salary will reach the maximum, the difference will be given as a lump-sum payment.

Working Conditions

The Council of Marine Carriers, coastal region, British Columbia and Canadian Merchant Service Guild have **reduced work schedules** for the purpose of **retirement phase-in.** An officer may request to work up to half time at 60 years of age with 15 years of service; 55 years of age with 20 years of service or 50 years of age with 25 years of service. The minimum period for such an arrangement is one year. The arrangement must be mutually agreed to by the officer and the employer and it is understood that the officer may have to relinquish current posting and take another position in order to facilitate the modified hours.

Camoplast inc, Roxton Falls, Grand-Mère and Princeville, Quebec and Association des employés de Camoplast Roski have introduced a new provision on **psychological harassment** providing for the employer to adopt appropriate measures in order to prevent psychological harassment and to eliminate such behaviour when brought to the employer's attention.

CANPAR Transport Ltd., Canada-wide and United Steelworkers of America have initiated a provision whereby an employee who is off duty due to illness and is not claiming short-term disability will have the option of **using accumulated banked overtime** as of the second day of absence. Also, another new provision in the settlement states that an employee who becomes ill or injured will be allowed to **continue payment into the pension plan** while off work. For the employer contribution to be paid, the employee must make all required employee contributions which must commence within 90 days of the start of the leave and continue throughout the leave period.

Continuation of **health benefits for employees on layoff** has been negotiated between the City of Hamilton, Ontario and Canadian Union of Public Employees. The provision provides for benefit coverage for a period of 13 weeks while on layoff. In the event the layoff is deemed by the employer as temporary and exceeds 13 weeks, the employer will continue benefit coverage for the entire period of layoff. As well, the parties have established an **emergency leave** provision whereby the employee is entitled to a maximum of 10 unpaid days for personal illness, injury or medical emergency. The leave may also be used for the death, illness, medical emergency of an urgent matter concerning specified family members.

The Saskatchewan Wheat Pool, various locations in Ontario, Manitoba, Saskatchewan and British Columbia and Grain Services Union have established a **military leave** provision. Employees, with at least one year of service, shall be entitled to a maximum of two unpaid weeks per year for the purpose of

serving with the armed forces. Upon return to work, the employee shall be placed in the same or similar position with the same rate of pay as they had prior to the leave.

Job Security

A **work reassignment or leave provision during pregnancy** has been initiated by the National Research Council of Canada, Canada-wide and National Research Council Employees' Association. It provides for the possibility of a reassignment, or leave when reassignment is not possible, should an employee who is pregnant or breastfeeding considers that her work can be a danger for her future child or baby.

The Provincial Health Authorities of Alberta, Facilities and Community Care Sectors, province-wide, Alberta and United Nurses of Alberta have established a **mobility** clause. The clause provides the employer with the ability to relocate a service within 50 kilometres and have the employees move with the service; create positions that are not tied to work in a specific location and based on patients needs; create positions that are regularly scheduled to work in more than one site; and temporarily assign employees to work at other sites when required for education, orientation, meetings, equipment servicing, emergencies, etc.

A **voluntary employment buyout** option has been negotiated between Westfair Foods Ltd., Real Canadian Superstore, Western Grocers and Extra Foods, province-wide, British Columbia and United Food and Commercial Workers International Union. It provides that Food Clerk Specialists and Distribution Specialists earning $20.00 or more per hour can request a buyout within 30 days of ratification. The buyout will be calculated based on four times the average weekly earnings for each year of service, to a maximum of $50,000. The program will be limited to a maximum financial outlay of $3,500,000. Full-time vacancies created as a result of the buyout option will be filled within 60 days of resignation with part-time employees wishing full-time status.

Securicor, province-wide, Ontario and International Brotherhood of Teamsters have negotiated a provision that will ensure the **stability of retirement benefits** for employees close to retirement during the change from a defined benefit pension plan to a defined contribution plan. The employer will compensate employees who are close to retirement against any lower retirement benefit entitlement that might arise from the change to a new defined contribution plan. Effective September 1, 2004, the employer will contribute, on behalf of employees who are members of the defined benefit plan and 50 years of age or older, an amount calculated as a percentage of the contribution being made for that month to the defined contribution plan based on the employee's age at the beginning of each month as follows:

Age	Percentage
50	20%
51	40%
52	60%
53	80%
54 or older	100%

Contributions will be deposited in the employee's registered retirement savings plan with the employee determining how the amount will be invested.

The parties have also negotiated a **contracting-out** provision that will allow service work and cash transfers to be performed by outside contractors within the area. The service work will not include cash loading and will only be done in a secure location. Cash transfer work may only be performed by contractors within a financial institution. Effective April 1, 2004, the employer will pay the union 25¢ per hour worked by a contractor for whom consent has been given.

Plant closure clauses have been included in three settlements for this period. The provision between Abitibi-Consolidated of Canada, various locations in Ontario, Quebec and Newfoundland and Labrador and Communications, Energy and Paperworkers Union of Canada states that in the

case of permanent closure of a paper machine, department or plant, an employee shall receive a maximum **severance benefit** of one week and a half of wages for each year of continuous service.

The Council on Northern Interior Forest Employment Relations (CONIFER) in the northern region and the Interior Forest Labour Relations Association in the southern region of British Columbia, both with the Industrial Wood and Allied Workers of Canada, have an identical clause whereby in the event of a permanent plant or logging camp closure, an employee will receive a **severance payment** equal to 10 days wages for each year of continuous service.

Labour-Management Committees

During the third quarter of 2004, 16 of the 37 agreements with innovative practices contained provisions for establishing committees dealing with a wide variety of issues.

The City of Hamilton, Ontario and Canadian Union of Public Employees have established an **employee relations** committee with a mandate to foster effective and productive communication between the parties and the promotion of constructive and harmonious relations and to reflect the recognition by the City that the staff are the City's most valuable resource and that the effective utilization of staff is vital to achieve expected outcomes, promote a climate of mutual respect and provide for efficient and fair internal resolution of concerns and complaints.

A **pension review** committee between the Saskatchewan Wheat Pool, various locations in Ontario, Manitoba, Saskatchewan and British Columbia and Grain Services Union will address the financial viability of the pension plan. The committee will canvas all options that will assist the plan in maintaining assets that are sufficient to meet liabilities, including opening the plan to new members.

The National Gallery of Canada and the Canadian Museum of Contemporary Photography, Ottawa, Ontario and Public Service Alliance of Canada have a **pre-retirement transition** committee which will review transition programs and their potential applicability. The committee will commence their review within 15 days of the signing of the collective agreement.

Other committees included in collective agreements deal with such items as classification evaluations, health and safety, training, child care facilities and health and welfare benefits.

Innovative Workplace Practices

Previously published innovative workplace practices from past issues of the Workplace Gazette, are available on the Workplace Information Directorate Web site at

http://www.hrsdc.gc.ca/en/lp/wid/info.shtml .

Labour-Management Partnerships Program

Projects

Federal Mediation and Conciliation Service
Labour Program, Human Resources and Skills Development Canada

The Labour-Management Partnerships Program is a contribution program administered by the Federal Mediation and Conciliation Service. The Program is designed to encourage effective labour-management relations in the workplace or at the sectoral level by providing funding assistance that supports efforts by unions and employers to jointly explore new ways of working, and of working together.

Participants (union and employer or an association which represents both) must contribute at least 50 per cent of the total cost of the project in cash or in kind. In most projects, however, participants contribute considerably more than half of the total costs. The Program's 2004–2005 budget is $1.6 million. Projects can run for two years and funding of up to $100,000 is available.

Copies of final project reports are available from the parties and through the departmental library.

Ongoing Projects

The following projects are currently being funded by the Labour-Management Partnerships Program. A summary of most projects will be published in future issues of the *Workplace Gazette.*

Alberta Congress Board *and* **Alberta Building Trades Council** *and* **Canadian Manufacturers and Exporters**

The Alberta Congress Board engages business, labour, government, education and health in a collaborative effort to achieve consensus and recommend action on issues in the workplace. The Congress Board, along with the other two applicants, is organizing a Workplace Conference entitled "Expectations at Work – What Employers and Young Workers Really Want" which will be held in Jasper, Alberta from January 6 to 9, 2005. Conference topics include youth-employer expectations; key challenges and new strategies and improvements; and best practices. Consensus seeking on key issues, linkages between organizations and strengthened relations form additional aspects of the project. This is the third conference in a series where young people, aboriginal people and persons with disabilities have been invited to participate. Visit their Web site at http://www.congressboard.ab.ca/ .

Canadian Broadcasting Corporation *and* Canadian Media Guild (CMG)

This project is evaluating a performance management and staff development process which emphasizes regular feedback and coaching for employees. National Committee members and more than 60 locally based joint committees—all of which include both labour and management representatives—are participating in this evaluation. Results will be made publicly available through the Canadian Broadcasting Corporation Web site at http://www.cbc.ca .

Canadian Standards Association

In conjunction with a steering committee of union, management and government representatives, the Canadian Standards Association will oversee the development of a Canadian National Standard on occupational health and safety management systems. Other interests will be accommodated in a non-voting capacity in order to obtain broad representation from specific industry sectors. The Canadian Standards Association is accredited as a Standards Writing Organization in Canada. Visit the Association's Web site at http://www.csa.ca .

City of Toronto *and* Toronto Professional Fire Fighters Association, Local 3888

This pilot project between the City's Fire Services Division and the Toronto Professional Fire Fighters Association, Local 3888, is intended to develop and sustain an interest-based collaborative approach to all labour relations issues. The approach will be introduced to line managers and union representatives through workshops, training and the development of best practices related to collaborative labour-management relations. Visit the city's Web site at http://www.city.toronto.on.ca/ ; visit the union's Web site at http://www.torontofirefighters.org/ .

Conference Board of Canada (The)

The Conference Board, supported by the Canadian Autoworkers, is developing a handbook for employers to guide them in their employment of visible minorities. The steps in the guide include how to access this talent through to fully integrating, developing and advancing visible minorities in an employer's workforce. This handbook is part of a larger project entitled "Learning from the Best – A Program of Research and Education on Best Practices in Maximizing Talents of Visible Minorities." A primary goal of this research program is to raise awareness of the benefits of making workplaces more inclusive in response to the fact that the population of visible minorities in Canada doubled between 1986 and 1996. Visit The Conference Board Web site at http://www.conferenceboard.ca/ .

NAV CANADA *and* **Canadian Air Traffic Control Association**

The objective of this project is to improve the parties' labour-management relationship. Using a variety of techniques such as best practices, conflict resolution workshops, skills building, and the communication of workshop results to all employees, the parties hope to increase the skills of all labour relations representatives. They also intend to introduce the advantages of collaboration in the workplace in order to build a more constructive labour relations environment and put preventative measures in place to avoid unnecessary conflict in the future. Visit the employer's Web site at http://www.navcanada.ca/ ; visit the union's Web site at http://www.catca.ca/ .

Queen's University

The University is undertaking an assessment of the outcome of the 1998 legislative review of Part I of the *Canada Labour Code* and subsequent amendments. Representatives of the Canadian Labour Congress and of Federally Regulated Employers – Transportation and Communication are participating in the project steering committee. The project, which will lead to a presentation and a published report, includes a survey of major Part I clients, and interviews and/or small group discussions with selected labour and management representatives. Visit Queen's University Web site at http://www.queensu.ca .

Threads of Life *and* **Ontario Federation of Labour** *and* **Industrial Accident Prevention Association of Ontario**

Threads of Life is a not-for-profit organization which aims to support families that have been affected by a workplace tragedy such as death or injury. The organization was launched on April 14, 2003 during a Health and Safety Conference sponsored by the Industrial Accident and Prevention Association. Families from across the country shared their experience and took the first steps towards building a national organization. In addition, employers, unions and government organizations have lent their support to the initiative. More information can be found on the group's Web site at http://www.threadsoflife.ca .

University of Calgary

In conjunction with a union-management steering committee, the University of Calgary is producing a 30-minute video featuring best practices in labour-management relations in Canada. The video will assist labour and management by highlighting activities that have proven successful for other companies, unions and industries. Emphasis will be placed on those practices which contribute to sustainable initiatives. Visit the University of Calgary Web site at http://www.ucalgary.ca .

Université de Sherbrooke

This project aims to develop a better understanding of how a union steward adapts to the new role of working in a co-operative union-management relationship. Tools will be developed to support union stewards in this process in order to ensure the long-term viability of partnerships between unions and employers. These tools will be made available to central labour bodies and unions. Visit the University Web site at http://www.usherbrooke.ca .

Westfair Foods Limited *and* **United Food and Commercial Workers Union, Local 247**

The objective of this project is to develop a system of labour-management cooperation and to support innovative labour-management solutions. Topics being covered include workplace safety, attracting and retaining workers and creating a more cohesive work environment with better communications. Cooperation between the parties will be documented in the form of videos, training manuals and standard operating procedures. Visit the union's Web site at http://www.ufcw247.com/ .

For more information, contact the Labour-Management Partnerships Program, Federal Mediation and Conciliation Service at (819) 997-3292 or 1-800-563-5677 or visit their Web site at

http://www.hrsdc.gc.ca, *click on:*
(1) Partnership and Funding,
(2) Labour Partnerships.

Labour-Management Partnerships Program

Federal Mediation and Conciliation Service
Labour Program, Human Resources and Skills Development Canada

Alternative Dispute Resolution—A Pilot Project in Halifax Takes Off Nationally

A project funded in part by the Labour-Management Partnerships Program— Jointly sponsored by the International Union of Operating Engineers and a Halifax employer, Our Neighbourhood Living Society

The International Union of Operating Engineers knows a good thing when they see it. A couple of years ago, one of their international representatives attended a presentation about an alternative to the traditional arbitration system; in fact, a streamlined and quicker grievance resolution process. The representatives saw a lot of potential in the process and invited the consultant to a union conference. Then, working with the consultant and a Halifax employer unionized with the union, they developed a pilot project calling for a simplified grievance resolution process that could easily be applied to small and medium-sized companies and unions.

The project called for an alternative dispute resolution process initially allowing for the use of a panel of peers to resolve grievances arising from the shop floor or the parties' collective agreement. If there is no resolution, the parties have the option of going to a "Schedule 2" hearing which involves an arbitrator, an employer representative and a union representative.

The union and the employer jointly applied for funding under the Labour-Management Partnerships Program. Meeting the program criteria of encouraging effective labour-management relations in the workplace that support new ways of working, they received contribution funding of $100,000 (the maximum available under the program) to set up and run the project.

The Halifax employer, Our Neighbourhood Living Society, provides residential community support to young adults. Operating in seven locations, Society staff act as "seeing eye humans" to provide support with respect to jobs and living. Based on their existing good relationship with the union, the employer joined in the project, attracted by the potential for solving problems at an early stage and by the prospect of a cheaper alternative to traditional arbitration.

The group spent close to a year developing and enhancing the material to support the training of a wide variety of individuals, companies and union locals in the new procedure. Extensive research took place along with editing, feedback, meetings with labour practitioners and legal advisors from different sectors, revisions and more revisions. The aim was to obtain a balance among all those with an interest in the process, and furthermore, to ensure that concepts such as the Duty of Fair Representation were properly encompassed in the material and the process. The result was a system that is not overly technical and maintains a balance between employer and union interests.

The next step called for training in the new process. A critical element is the development of expertise which is accomplished by training participants in the skills needed to handle grievance cases. They become "peer panelists" who are crucial to this two-part grievance resolution system.

A "Schedule 1" hearing calls for two union representatives and two employer representatives (none of whom can be employed by or related to the local union leadership or the employer who has the grievance before the panel) to sit on a panel to hear the grievances. Cases are presented in a simple fashion without the involvement of an arbitrator or lawyer and without reference to case law. Decisions are final and binding, but not precedent-setting, and are usually given the same day. Four to eight cases can be heard a day, and a short written decision is typically available within 48 hours. Usual subjects for these hearings include discipline, job postings, work assignments, missed work shifts and language interpretation. In the event of a deadlock, the case may proceed to a second level of hearing or to a traditional arbitration board.

A "Schedule 2" hearing involves the use of an arbitrator from an agreed-upon list, along with an employer and union panelist, who, as in a Schedule 1 hearing, cannot be employed by or related to the local union leadership or the employer going before the panel. Once again, lawyers and case law are excluded. Hearings are short and often two to three grievances can be heard in a day. A short oral decision is given the same day and provided to the parties in written format within 48 hours.

At the second level, grievances tend to include contract language interpretation, disciplinary grievances, or any issue that does not require a precedent-setting decision. If there is a deadlock, the arbitrator makes the final decision. Two experienced arbitrators who have used the Schedule 2 process are enthusiastic about the process—they appreciate the participation of peer panelists who provide information which allows the panel to "get to the meat of the issue." As well, the arbitrator is relieved of paper burden since all paperwork is prepared by a coordinator.

Results So Far

Training seminars have been given in many locations around the country from Nova Scotia through to British Columbia. The training has been well-received—at one Vancouver seminar more than 70 people participated. In some cases there has been as little as two weeks between the times when panelists have been trained and when they have started to use the process. Early experience with the process is showing that 90 per cent of the grievances are being dealt with at the level of a Schedule 1 panel.

In terms of subject matter for the two levels in the process, it was initially believed that more difficult subjects like dismissal or human rights grievances would likely move to a Schedule 2 panel. What is happening, however, is that as panelists become more seasoned and comfortable with the Schedule 1 process, they become more capable of taking on difficult cases at the initial stage.

As well, there are benefits at the Schedule 2 level. As an example, one panel recently heard two discharge cases in one day. The arbitrator was very impressed with the process, particularly with the idea that labour issues are being returned to the shop floor. The parties to the process were equally positive and indicated they would use the process again. Other participants at the Schedule 1 level—even those who lost their cases—have expressed enthusiasm for the process. One of the trainers suggested that in the traditional system participants often don't know what happens. It was also suggested that the use of lawyers in the arbitration process has reduced the applicants' trust in their own abilities.

With the number of cases that can be heard in one day, this system is obviously cheaper than traditional arbitration. In fact, one employer (without telling the

panel) had two similar cases, one of which went through the arbitration system and one which went through this system. The traditional approach cost about $3,500 while the cost of the new process was about $875. The outcome in the two cases was the same.

The training material associated with the three days of training is well-produced and very effective. Many human resources professionals find that its broad-based approach makes it a useful reference tool beyond the scope of this system. For example, some sections in the material relate to evidence, preparation and presentation—all of which can be useful for other types of human resources work. A minor critique from one training participant related to sections around legal language where it was thought that not all participants were at the same level of expertise and required a little more time to comprehend the terms. Another point related to information overload.

Final word goes to the Halifax employer partnered in the project. After helping to develop the process and undergoing the training, the employer remains positive about the project. It is believed that in the future, training could be done on an annual or semi-annual basis to enlarge staff skills and take personnel turnover into account. It also strongly believes that this is a good system for non-profit organizations. As well, the process has the potential to save employers from making big mistakes because full information is disclosed early in the process. If need be, an employer can take a graceful exit simply by acknowledging "we were wrong." The employer also indicated that it is a system which provides accountability and sustainability and reduces differences—it allows people to understand that not everyone comes from the same perspective.

The views and opinions expressed in this document do not necessarily reflect the position of the Labour Program.

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Corporate University Basics

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Introduction

North American organizations are investing ever-larger sums in the training of their workforces. In Quebec in 1999, training expenditures amounted to $1.165 billion among companies with payrolls exceeding $250,000. In Canada, according to a 2002 Canadian Federation of Independent Business survey, 56 per cent of the 6,700 members interviewed increased their training expenditures between 1999 and 2002. In the United States, companies with more than 100 employees budgeted over $50 billion for training in both 2003 and 2004. Many factors explain this increase in workforce development investment, among them, the emergence of the knowledge economy, globalization and technological innovation.

Today, numerous businesses group together their professional development efforts under the umbrella of a "corporate university." This corporate approach to training has gained significantly in popularity in North America and Europe over the last decade (Meister 1998).

The goal of this article is to take stock of the corporate university approach in order to guide the decision-making process within organizations. First, the very concept of a corporate university will be defined and situated with respect to the traditional training department. The objectives, origins, and main dissemination modes and indicators of success will then be described. Finally, the case of a specific Canadian corporate university will be presented.

What Is a Corporate University?

The literature on the concept contains several informal attempts at a definition, and this article will examine the most significant of these. First, Martel (2002) suggests that a corporate university is a method of organizational change used to develop knowledge and know-how, to implement organizational and strategic changes, and to convey a corporate vision and corporate values. This first definition is consistent with that of Panczuk (2001), who states that corporate universities are a coordinated means of conveying corporate values and ethics, developing technical skills and helping executives to become leaders. Meister (1998) adds that the corporate university represents a strategic measure aimed at developing and educating a company's value chain, namely its employees, clients and suppliers, in order to reach the established strategic goals and gain a competitive advantage.

Renaud-Coulon (2001:61) states that corporate universities may be defined as *"places reserved for the use of education and economy in the service of overall performance.* [Corporate universities may then be perceived as] *strategic cells offering products and services directly geared to business threats, opportunities and projects, such as seminars and conferences, but mostly trouble-shooting groups, processing networks, communities of practice, and consulting services sometimes offered outside the company* [translation]."

— We wish to thank the SSHRC (Social Science and Humanities Research Council), the FQRSC (*Fonds québécois de la recherche sur la societé et la culture*), as well as the Chair in Skills Management of the Université du Québec à Montréal for their financial and logistical support.

Finally, from a more practical point of view, Global Learning Resources (2002) defines the corporate university as being a function or department strategically oriented toward the integration of the personal development of individuals, as well as of their performance as members of teams and organizations, by establishing links with suppliers, conducting large-scale research, facilitating content dissemination and seeing to the creation of a superior leadership team.

Global Learning Resources also suggests classifying the corporate university within one or more of the following five categories: name only; skills-oriented; focused on leadership development; initiative-oriented; and focused on business development. The *name only* category refers to the typical "hip" training department. The *skills-oriented* category represents the foundation of every corporate university whose main objective is to help individuals develop specific skills while improving career path management within the company. At this level, the implementation of a corporate university allows for an alignment of the various training practices with the company's business strategy. The third category, *focused on leadership development*, aims to develop a company's management team. IBM's "Basic Blue for Managers" corporate program very aptly represents this category. Over 12 months, it allows new managers to develop their leadership skills as well as those necessary to efficiently take over a work team. In 2000, several thousand new managers worldwide participated in Basic Blue (Bolch 2001).

Corporate universities which are *initiative-oriented* are aimed at facilitating large-scale initiatives such as globalization, process improvement and employee accountability. For example, when the American telecommunications corporation Motorola invented the "Six Sigma" methodology to improve the quality of its production at the end of the 1980s, it called upon its corporate university in order to promote quality initiatives to its employees (Densford 1999). In Canada, the transformation of Domtar at the end of the 1990s is another example of an initiative-oriented university (Gosselin 2002). Indeed, the cultural shift toward a more participatory management approach and an enhanced employee accountability was facilitated by the implementation of a corporate training initiative in the mid-1990s, in partnership with the Université de Sherbrooke and the University of Toronto, among others.

The last category proposed is that of corporate universities *focused on business development* whose objective is to facilitate business opportunity development. For example, a company seeking to expand into the Chinese market could use its university to prepare its employees for their new role and educate them with respect to that country's culture. Skills are an important component of successful international expansion (Hébert 2002). Trade development may also be geared toward clients and suppliers. Volvo's university, for example, puts great emphasis on keeping independent dealers up-to-date and well informed, as the company's future is strongly linked to their success (Kenyon 1998). This categorization is consistent with the one proposed by Fresina (1997), which suggests three main roles for a corporate university: to reinforce behaviour, to manage change and to support growth.

It is interesting to note that the literature consulted seems to suggest that the names chosen by the various organizations often reflect the initial orientation of the corporate university. To name just a few, in Canada there is the Bank of Montreal Institute for Learning and the Eaton School of Retailing; in the United States there is the AT&T School of Business and Technology, the Disney Institute, the Sprint University of Excellence and the Xerox Management Institute; overseas there is the AXA University, the Danone University and the Ericsson University. Prince and Allison (2003) further report that corporate universities established in small and medium enterprises (SMEs) in the United Kingdom generally adopt the generic *"Academy"* in their titles, thus indicating more modest strategic training ambitions.

In light of the many definitions found, it appears that corporate universities can be multifaceted. In an effort to integrate these various dimensions, we propose the following definition: The corporate university is defined as a company's planned, systemic and strategic effort to upgrade and develop its skills asset in response to the changes imposed by the company's business objectives following internal and external environment analyses [translation].

According to this definition, the corporate university is perceived as a strategic lever implemented and supported by upper management, its prime objective being to increase organizational effectiveness—quantitative as well as qualitative—via the development of individual and collective skills. However, the training offered by the corporate university does not replace the traditional training offered but rather complements it. Table 1 summarizes the main differences between a traditional training department and a corporate university. Moreover, the training department of an organization could possess all attributes associated with a corporate university without being formally recognized as such. This situation seems to represent the reverse of the *name only* category mentioned earlier.

Objectives of the Corporate University

The existing literature on corporate training acknowledges that the primary objective of a training activity is the acquisition of knowledge and skills with a view to increase individual performance. The individual is thus the focus. However, as shown in Table 1, a corporate university's objectives are more varied. Indeed, most organizations favour corporate

Table 1

Traditional Training Department vs. Corporate University

	Traditional Training Department	Corporate University
Orientation	On the individual; isolated, one-time effort with respect to a specific performance issue	On the organization; systemic and continuous effort to facilitate the implementation of business strategies
Clientele	Employees	Employees, suppliers, clients
Targeted Skills	Job-specific	Supporting the organization's change and growth
Objective	Increased individual performance	Increased organizational performance; management of the organization's human capital; employee recruitment and retention; strategic intelligence
Responsibility	Human Resources	Management
Structure	Decentralized; activities distributed according to targeted skills	Centralized; activities integrated into a comprehensive learning strategy
Dissemination	Planned, scheduled	Not planned, continuous and "just in time"
Method	Unique approach of passed-on knowledge; frequent use of lecture style	Mixed approach based on actions; several methods used

universities since in addition to improving their competitiveness through an increase in performance, they perform several other functions. They enable the company to:

1) Increase the transfer of knowledge among employees through enhanced opportunities to exchange, discuss and develop ideas;
2) Systematize training and optimize its investments, while mitigating the education system's deficiencies;
3) Initiate organizational change implementation and establish a new culture; and
4) Develop flexibility and employability.

In a broader sense, a corporate university allows for the development of employee loyalty and the recruitment and retention of the brightest minds (Ducuing 2002; Solomon and Cohen 2002). A corporate university also acts as a catalyst by providing internal networking opportunities. In other words, it allows the company and employees to better "fight off the enemy together."[1]

Finally, a corporate university's prime objective may be to change the way employees perceive learning, whereby training is no longer viewed as a formal, time-constrained effort focused on work performance, but rather as a continuous process where employees learn through formal and informal activities by exchanging best practices. The aim of the corporate university is then to develop organizational learning (Marquardt and Reynolds 1994). For example, training might help a manager realize that it is both possible and beneficial to encourage team learning (e.g. by studying the various setbacks and successes of a project) as well as to establish a culture of constant improvement (e.g. by regularly asking employees how to do better and to be constantly on the lookout for best practices in their field).

Origins of the Corporate University

The first corporate university was established in the United States in the 1950s by General Electric. To better understand post-Second World War market opportunities, CEO Ralph J. Cordiner at the time decided to establish a decentralized structure. He believed that his management teams needed to acquire new skills in order for this business decentralization to be successful. Thus "a major effort was launched to design an advanced management curriculum and build Crotonville, a campus-like setting in Ossining, New York" (Tichy 1989:100). The General Electric Management Development Institute, called "Crotonville" at the time, was born. The construction of a university-style campus, initiated by the CEO, allowed Crotonville to stand out from all other trainings offered at General Electric. Crotonville's objective was to attain a higher degree of personal and organizational effectiveness—not only at the individual level as it had been the case beforehand.

Over the following decades, and especially at the end of the 1980s, many other large companies in industrialized countries began establishing their own universities.

The term "corporate university," chosen by the various organizations to promote a serious approach to training, was meant to convey to everyone the significance of the company's efforts to implement change. Meister (1998) reported that approximately 1,600 corporate universities could be classified in one or more of the categories previously mentioned. However, a research report by Gallagher (2000:7) suggests that only 200 of them can realistically claim that their training activities represent more than what is usually done by the communications or human resources departments. As a consequence, many organizations would have a university that qualifies under the heading *name only*. The authors are aware

[1] From a conference paper presented by Philippe Collas at HEC Montréal in 2002. Mr. Colas was the Corporate Vice President of Human Resource Studies and Development at AXA University from 1995 to 2001.

of no study to date that would have been published in Canada on the breadth of this phenomenon in an organizational context.

Main Dissemination Modes

With respect to dissemination, the corporate university is not really different from traditional training. In addition to learning by doing, two approaches are emphasized: in-person learning, through seminars with a trainer (which may also be followed via satellite), and virtual learning, via information and communications technology (e.g. CD-ROM, e-learning). IBM's Basic Blue program, mentioned earlier, is based on a mixed approach that allows managers to learn online via simulators, tutorials, virtual cooperation or individual study, while not completely abandoning the traditional classroom. However, unlike traditional training, the majority of seminars in a corporate university are offered in an environment similar to a university campus, such as the famous Hamburger University of McDonald's. Located in the suburbs of Chicago, this campus covers 130,000 sq. ft. and has a permanent staff of 30 professors. Sophisticated electronic equipment allows for simultaneous communication in 22 languages. This university also operates 10 training centres worldwide.

In Canada, the Bank of Montreal Institute, located in Toronto, is considered a model institution. Each year it hosts between 5,00 0 and 6,000 employees for one- or two-week training sessions (*Globe and Mail* 2001). The building's unique architecture stimulates creativity, excellence and team spirit. In addition to a 150-room dormitory, the building houses a 250-seat auditorium, 12 large fully computerized classrooms, 8 simulation rooms with audiovisual equipment, as well as 20 discussion rooms for small-group exercises. This type of infrastructure conveys a strong message to employees about how seriously the company takes skill development. The bank also supports employees' self-training initiatives with the help of its Intranet. The system allows employees to register for courses online and to link up with banking industry partners offering credited training. Finally, many organizations have established partnerships with universities. Training is given in on-campus classrooms, with or without teleconferencing.

As for trainers, corporate universities benefit as much from internal as from external resource services. Many managers are asked to participate in employee training. In cases where there is an established partnership with a college or university, that institution's faculty would teach the personalized content, whether or not it is integrated into the regular academic program. In Canada, the Eaton School of Retailing was established in 1994 through a partnership between Eaton and Ryerson Polytechnic's continuing education division. The goal was to develop and offer programs dealing with leadership to Eaton employees as well as suppliers and, possibly, to the entire retail sector.

In choosing an external partner, Meister (1998) suggests the following criteria: a shared vision where client service, innovation and continuous improvement are indicators of success, the establishment of specific learning objectives, a certain flexibility of dissemination, as well as complementary needs such as joint research or executive training program development. Finally, although the vast majority of training offered by corporate universities is for employees only, certain universities are open to the public. For example, the Motorola University offers numerous courses on quality improvement, while the Disney Institute is more focused on client service and leadership.

Key Success Factors

As with any strategic implementation within an organization, the presence of certain factors may facilitate the corporate university's success. Following are our choices.

Upper Management Participation

According to many corporate university directors, the crucial success factor is "the active participation of the CEO" (Meister 1996). This participation translates into the following behaviours:

1) The CEO spends a lot of time (about 1.5 days a month) cultivating the culture of learning as well as the intellectual capital of the organization. He or she participates in the various training and leadership development sessions and in new employee orientation sessions; conveys the company's history and values; and discusses the market, competition, the company's future, etc.

2) The CEO sets annual learning objectives for the organization. These may be expressed, for example, as the number of days each employee must spend in training, or as a percentage of the time spent preparing for a future position.

3) The CEO seeks out external partners to support these training efforts. He or she canvasses suppliers, clients and educational institutions to participate in training offered by the corporate university and encourages external partners to develop a learning relationship in addition to a trade relationship.

4) The CEO publicly acknowledges the importance of continuous learning in the success of the organization through various means of communication such as the annual report, stockholders' meeting and press coverage.

Typically, the effect of these behaviours would be proportional to the longevity of upper management's commitment—time being a crucial factor in the transformation of an ingrained organizational culture. Among other things, this sustained interest may be demonstrated by the long-term involvement of the same CEO, or by selecting executive managers who value human capital. This success factor thus rests, in public enterprises at least, with the board of directors.

Sustained Continuous Improvement

A corporate university is a place to reflect on, an organization's "anti-stagnation" strategic lever. Its staff should not thus fall into the trap of "Physician, do not heal thyself." They must always be forward thinking, fostering within their teams a culture of movement and innovation with respect to the objectives sought and with respect to skills, methods, partnerships and technology. This continuous improvement process will be facilitated if the work is performed jointly, with the organization's management, its clients and external partners.

Efficient Use of Information and Communication Technologies

It seems very clear that a corporate university's efficiency depends increasingly on a sound use of information and communication technologies. The present development of knowledge portals that support employees at all times perfectly illustrates the significant contribution of technology to learning (see Ledru 2002). However, this use of technology in human capital development activities must not leave the humans out of the equation. Too often, decision-making is solely based on technology at the expense of the humans making use of it. The results of a study conducted in a large Canadian service company underscore the important effect of individual characteristics (e.g. age, sex, perception of usefulness, and confidence in being able to adequately use the tools), organizational support (e.g. supervisor's support, time allotted for use) and technology (e.g. user-friendliness and reliability) on employees' motivation to use a computerized management and skills development system (Foucher, Morin and Trottier 2003).

Integration of Processes Linked to Knowledge and Learning

Prince and Stewart (2002) state that the success of a corporate university depends in part on its

capacity to integrate the four main organizational processes:

1) The knowledge management process (e.g. does online training benefit from the Intranet and corporate databases?);

2) External networks and partnerships (e.g. do internal communication mechanisms support knowledge sharing?);

3) The learning processes (e.g. are questioning and continuous learning encouraged in the workplace?);

4) The human resource management process (e.g. are recruitment and retention practices in line with the key skills developed through the corporate university?).

Redefining the Psychological Contract

The last, but certainly not the least significant success factor, refers to the psychological contract, or implicit service exchange agreement, between the employee and employer, based on a relationship of respect and loyalty (Rouillard and Lemire 2003). By establishing a corporate university, we migrate from an adaptive logic of preparing for a task, where expectations are simple and can be summed up as simply reproducing the desired behaviours, to a reflexive logic[2] where an employee's tasks are more complex, where he or she is required to think, to continuously question and decide on the best behaviour to adopt. The employee's involvement is thus at a higher level. In return, however, the organization can no longer offer the traditional benefits such as job security. To re-establish a balanced psychological contract, the organization must rethink its offer. For example, instead of job security, it could offer security of individual skills-capital. The new psychological contract would then read: the company commits to keeping the employee's skills up-to-date (thereby maintaining their market value), and in return the employee agrees to become a key player in organizational learning.

Case of a Canadian Corporate University

About 10 years ago, a large institution within the Canadian financial sector decided to establish a corporate university:

The National Bank of Canada Corporate University

In 1995, the National Bank of Canada (NBC) began talks with higher education partners with a view to establishing a corporate university, the National Bank University Program. It was the first Quebec financial institution to implement a corporate university offering credited training specifically geared to certain positions and job clusters. The main objective of the NBC's corporate university was to stimulate the acquisition of new skills essential to the organization's growth in the newly deregulated market. Indeed, the introduction of the corporate university was a result of a change in the external environment, namely the deregulation of financial services (see Harris and Pigott 1997). At the beginning of the 1990s, in Canada as elsewhere, the government was working at reforming all laws and regulations pertaining to

[2] In March 2004, the continuous transformation of training logic in business was the subject of a conference organized by the Chair in Skills Management of the Université du Québec à Montréal's School of Management (www.chaire-compétences.uqam.ca) and given by Paul Bélanger, professor and member of CIRDEP (the Center for Interdisciplinary Research and Development and Advanced Studies on Lifelong Learning) (www.cirdep.uqam.ca).

financial institutions. This deregulation had the effect of increasing competition, which in turn pushed organizations to innovate, to develop new products, services and methods. Deregulation also had the effect of making the various roles and responsibilities of banking sector employees more complex. Consequently, NBC management decided that in order to ensure the company's survival and growth, its employees had to "think differently," as stated in an ad campaign at the time.

The main objective of the Program was to encourage employees to develop proactive rather than reactive behaviours with clients. It was no longer enough to meet clients' needs; they had to be offered a wide array of financial products, way beyond the traditional withdrawal or deposit. The client profile had also changed. Clients were more educated and well informed. It was therefore necessary to increase employees' knowledge in the financial field, while developing their knowledge and skills with respect to client approach and marketing. Based on this context of implementation, it seems that the NBC's corporate university falls into the *initiative-oriented* category, the main objective of which is to facilitate the company's migration from being a basic banking services provider (withdrawal, deposit, etc.) to being an integrated, global financial services provider (banking services, insurance, brokerage, etc.).

The training offered by the NBC's corporate university relies principally on two external partnerships: with the Université du Québec and its network of universities, and with the Institute of Canadian Bankers. To ensure a broader accessibility, smaller partnerships were also established with HEC Montréal, the Université de Sherbrooke and McGill University. Thus the NBC, which does not have a physical campus, uses those of its partners. A special NBC team, external to the training department, manages the program. The various types of training offered, which are all linked to present and future bank position requirements, are credited undergraduate or graduate-level courses.

This particular approach seems very appropriate given the present recognition issue of prior learning in most organizational settings. All classes taken as part of the Program are paid for by the NBC, and an internal policy allows employees to take time off work in order to study. There are several 30- or 90-credit undergraduate programs, such as the Service Administration Certificate, the Financial Planning Certificate, the Human Resource Management Certificate and the Marketing Certificate, not to mention the management, accounting, marketing, economics and finance bachelor's degrees. An employee may also obtain a bachelor's degree through the acquisition of certificates. This training is targeted at all NBC employees who do not hold a university degree. At the beginning, in 1995, about 70 per cent of the Bank's workforce had only a high school diploma. For employees with undergraduate degrees, the Program offers graduate-level training. There are many short 15-credit graduate programs, as well as 30-credit specialized and 45-credit master's programs with a wide variety of possible specializations. Participants are usually mid- to senior-level executives who have acquired a sound experience in the financial services industry.

Since its implementation during the 1990s, the National Bank University Program has provided many benefits to the institution as well as to its employees. The main one for employees is the increase in their level of employability, both internal and external, due to their increased level of credited education. For the organization, the benefits are many. First, the

Program provides it with a more competent and self-confident workforce who is able to face the new challenges of the banking industry. It also allows for an expanded educated succession pool. With regard to performance, an empirical study conducted by Morin and Renaud (2002) measured the impact of the implementation of a corporate university. The theoretical foundation for this study was based on the human capital theory. This theory proposes that in a context of training and skills development, the efforts put into training produce a higher human capital value, which in turn is converted into a better performance, ultimately leading to several desired benefits. These training investments thus increase employees' marginal production by modifying the strengths of the human capital.

In brief, this theory suggests that training offered via corporate universities offers employees the opportunity to increase their human capital, or their market value. However, the simple fact of registering in a corporate university does not automatically produce new skills. For this, an employee must complete training and enhance his or her human capital, which then translates into an increase in productivity. Morin and Renaud (2002) predicted that simply registering in a corporate university program would not lead to a better performance, but that an active participation would (i.e. successfully completing at least one course). The study's results confirmed their hypothesis: NBC employees who actively participated in the Program were more productive than those who merely registered, or those who did not register at all. These results suggest that the establishment of a corporate university can have a significant impact on the organization, through an increase in individual performance.

Conclusion

There is much evidence that a corporate university represents a significant trend rather than a temporary fad. Whether by preparing for the next succession pool or by fostering organizational learning, this strategic human capital development effort is gaining popularity in companies throughout the industrialized world. Compared with the traditional training department, the corporate university is better suited to today's world, allowing an organization to survive and prosper in an ever-evolving environment.

In these uncertain times, as noted by David Ulrich[3] (1997:13), "the best companies will be those able to attract, develop and retain a qualified workforce having the insight and experience essential to business on a global scale." With a shortage of qualified workers looming over the next decades in North America, the establishment of a corporate university may prove to be a wise decision, enabling an organization to at once attract, develop and retain its key human capital.

[3] David Ulrich is professor at the University of Michigan. He was quoted by Business Week magazine as one of the 10 best management and human resource management trainers in the world.

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Labour Technical Assistance Program *in Costa Rica*

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In support of the Labour Program's international mandate, the Office for Inter-American Labour Cooperation has initiated a Labour Technical Assistance Program in Costa Rica. The official launch, announced in August 2004 at a press conference in San Jose, the capital of Costa Rica, was the culmination of two years of cooperation between the labour ministries of the two countries. This initiative marks a milestone in the relationship between the two countries and a reaffirmation of the Labour Program's commitment to working with developing nations to promote core labour standards and strengthen the governance capacity of governments and civil society groups.

The Labour Technical Assistance Program is part of a broader cooperative agenda within the Canada-Costa Rica Agreement on Labour Cooperation. This Agreement, which was negotiated in tandem with the bilateral free trade agreement in 2001, responds to the emphasis that the two countries give to ensuring that the benefits of free trade and economic growth are equitably distributed.

The Canada-Costa Rica Agreement on Labour Cooperation provides a framework for dealing with labour issues in the context of trade liberalization. Its two pillars are cooperation and the effective enforcement of domestic labour laws. In the Agreement, both countries commit to reflect internationally recognized core labour principles and rights in their domestic labour legislation, and to improve governance by administering and enforcing those laws in a fair, transparent, and effective manner. In support of these commitments, the Agreement includes a set of enforceable obligations and a public communications mechanism through which concerns about a country's lack of enforcement of labour rights can be aired. It particularly encourages bilateral cooperation to promote the achievement of these objectives.

The cooperative program covers various areas identified in the Agreement by the two countries, including the strengthening of institutional capacity to address labour affairs; the modernization of labour inspectorates and conciliation and mediation services; and the strengthening of departments with jurisdiction over social security matters. These areas for cooperation are rooted in Canada's belief that the sound and effective administration of labour policies serves key social development goals, and that the achievement of these goals depends upon good governance in labour administration.

The Labour Technical Assistance Program was designed by the Canadian Labour Program and the Costa Rican Ministry of Labour, in consultation with the International Labour Organization. Since its inception in March 2003, Canada has contributed close to $1 million in support of Costa Rica's initiatives to modernize its labour administration.

— The Office for Inter-American Labour Cooperation is a unit of the Labour Program's International and Intergovernmental Labour Affairs Directorate. The Office manages Canada's relations and activities with other countries in the Americas, including the implementation of the labour cooperation agreements with Mexico and the United States, Chile and Costa Rica.

These initiatives range from the strengthening of alternative dispute resolution systems and the modernization of labour inspection, to the delivery of an occupational health and safety awareness program in elementary schools and the promotion of social dialogue around the proposal to reform labour legislation. All of these activities aim at assisting Costa Rica's Labour Ministry to build its own institutional capacity to face the challenges and seize the opportunities of free trade. The International Labour Organization and the Canadian Centre for Occupational Health and Safety are among the organizations that have partnered with the Labour Program to implement this program.

At the heart of the co-operative program is the project called "Strengthening Governance in Costa Rican Labour Administration," which is implemented by the International Labour Organization's subregional office in Central America. The project focuses on the modernization of labour inspections practices, as well as on the strengthening of alternative resolution mechanisms for individual and collective labour disputes. The project is also promoting social dialogue initiatives aimed at building consensus on the legislative proposal to reform the Labour Code to make judicial procedures more efficient and effective. For the next two years, the project will also include activities aimed at promoting respect for workers' rights, working conditions, and occupational health and safety, as well as on strengthening of the Labour Ministry's capacity to address and fulfill labour commitments related to free trade agreements with other countries, and particularly with Canada.

The Labour Technical Assistance Program in Costa Rica is the first initiative of its kind ever undertaken by the Labour Program. Although still in its early stages, it has all the makings of a highly successful innovation in Canada's approach to international labour affairs and will likely be replicated with other countries that sign labour cooperation agreements with Canada.

Selection of Recent Changes in Canadian Labour Laws

Adopted Bills, Regulations and Other Statutory Instruments

MICHEL GAUVIN and **MARIE-HÉLÈNE DUPONT**
Labour Law Analysis
International and Intergovernmental Labour Affairs
Labour Program, Human Resources and Skills Development Canada

British Columbia: Amendments to the *Occupational Health and Safety Regulation* under the *Workers Compensation Act*; B.C. Reg. 312/2004; British Columbia Gazette, Part II, of September 15, 2004

These amendments are the result of a review of the occupational health and safety requirements applicable to the agriculture industry with a view to consolidate these requirements into the *Occupational Health and Safety Regulation* (OHSR). This consolidation results in the repeal of the current *Regulations for Agricultural Operations* (RAO) and the *Industrial Health and Safety Regulation* which was repealed in 1998 for all industries, except agriculture.

The RAO came into effect in 1993, and were not consolidated when the OHSR came into effect in 1998. Also, the current regulations applicable to this sector were developed prior to the enactment of Part 3 of the *Workers Compensation Act*. Part 3 deals with occupational health and safety and is intended to ensure equivalent standards of protection for all workers in all sectors of industry under provincial jurisdiction.

Under the current legislative framework, agricultural workers are not provided with regulatory protection on a wide range of occupational hazards that are specifically addressed in the OHSR (e.g., repetitive and related strain injuries, most fire and explosion hazards, vibration, radiation, heat and cold stress, lockout hazards, and hazards relating to most tools, equipment and machinery). Also, some requirements applicable to the agricultural sector provide a lower standard of protection than those contained in the OHSR.

The regulatory changes make pertinent requirements of the OHSR applicable to agriculture. In addition, many agriculture-specific requirements currently contained in the RAO are reproduced in Part 28 of the OHSR, which applies specifically to agricultural operations on farm land. Part 28 also provides for a number of modifications or exceptions for agriculture with respect to the application of certain requirements of the OHSR.

These amendments will come into force on January 1, 2005. There will be a one year period of adjustment during which a consultative approach will be taken on the requirements that are new or substantially new to the agricultural sector.

Nova Scotia: *Regulations Respecting Civil Service Disclosure of Wrongdoing* made under the *Civil Service Act*; Nova Scotia Regulations 205/2004 published in the Royal Gazette, Part II, October 1, 2004

Effective September 16, 2004, Nova Scotia adopted *Regulations Respecting Civil Service Disclosure of Wrongdoing* under the *Civil Service Act*. These new Regulations provide a procedure for the disclosure of wrongdoings in the civil service. The Regulations also protect employees from reprisals.

Disclosure of Wrongdoings

The Regulations apply to the disclosure of specified wrongdoings: a contravention to a federal or Nova Scotia Act, or of any regulations thereunder, which is related to the official activities of employees or public funds or assets; a gross mismanagement; and an act or omission causing a considerable and specific danger to the life, health or safety of a person. Lastly, the taking of a reprisal against an employee is also considered to be a wrongdoing.

A reprisal occurs when any unfavourable measure affecting the employment of a person is taken for the sole reason that the employee disclosed or expressed an intention to disclose a wrongdoing under these Regulations. This includes demotion, termination of employment and a disciplinary measure. A threat to take any of these measures is also considered to be a reprisal.

Before making a disclosure, an employee may seek advice from the Conflict of Interest Commissioner[1] who must protect the identity of the employee, unless otherwise required by law.

An employee may disclose a wrongdoing (this covers an employee who reasonably believes that he/she was asked to commit a wrongdoing, or that a wrongdoing has been committed or is about to be committed) to his/her immediate supervisor. After he/she has received a response from his/her supervisor and reasonably believes that the matter will not be correctly addressed, an employee may disclose it to his/her deputy head. The disclosure may also be made directly to the deputy head where an employee believes that it would be inappropriate to disclose the matter to his/her immediate supervisor.

Lastly, a disclosure of a wrongdoing may be made to the Ombudsman after an employee has received a response from the deputy head and reasonably believes that the matter will not be correctly addressed. A deputy head may also refer a disclosure of a wrongdoing or a related report to the Ombudsman. Furthermore, a wrongdoing may be disclosed directly to the Ombudsman where an employee believes that it would be inappropriate to disclose the matter to his/her supervisor or the deputy head.

The disclosure must be in writing and include, among others, the nature, the date and a description of the wrongdoing and the name of the person(s) allegedly involved.

Exception

However, when there is not enough time to make the disclosure under the prescribed procedures and it is necessary to prevent an imminent and serious danger to the life, health or safety of a person, an employee may disclose the wrongdoing to the police department or policy agency that can address the matter.

Response to a Disclosure of Wrongdoing

A supervisor who receives a disclosure must:

- investigate the matter; and,
- within 30 days of receiving the disclosure:
  - respond in writing to the disclosing employee;
  - report in writing the disclosure, the results of the investigation to date, along with the response to the employee, to the deputy head.

A deputy head who receives a disclosure must:

- investigate the matter; and,
- within 30 days of receiving the disclosure:
  - respond in writing to the disclosing employee;

[1] The Commissioner is designated under section 26 of the *Members and Public Employees Disclosure Act*.

- report in writing the disclosure, the results of the investigation to date, along with the response to the employee, to the Commissioner[2].

Investigation by the Ombudsman

The Ombudsman who receives a disclosure must investigate the matter. However, he/she may decide not to investigate the matter for one of the reasons set out in the Regulations (e.g. the matter could more appropriately be dealt with according to an alternate procedure provided for under a Nova Scotia Act, regulation or policy).

Following an investigation, the Ombudsman must report his/her findings in writing and where a wrongdoing was found, he/she must make recommendations to the appropriate deputy head, and send copies to the disclosing employee and the Commissioner. He may also request notification, within a specified time, of any steps taken to give effect to the recommendations.

The deputy head who receives recommendations must respond in writing within 30 days and provide a copy of the response to the Commissioner. The deputy head must also respond to a notification request, as mentioned above, made by the Ombudsman.

Time Limitation

The disclosure of a wrongdoing must be made within 12 months of the employee becoming aware of it.

Confidentiality Obligation

Unless required by law and, in the case of the deputy head, unless he/she considers it advisable under the circumstances, a person who receives a disclosure or a report related to a disclosure under these Regulations must:

- not publicly disclose its content; and,
- to the extent possible, protect the identity of the persons involved in the disclosure process from publication.

Disciplinary Action Against Employee

Disciplinary action, including termination of employment, may be taken against an employee who commits a wrongdoing or makes a disclosure of a wrongdoing that is frivolous, vexatious or is made in bad faith. An employee may also be the subject of disciplinary action where he/she discloses a wrongdoing outside a procedure established under the Regulations, any Nova Scotia Act or when otherwise lawfully required to do so.

Prohibitions

In relation with these Regulations, a person may not:

- conceal, destroy, mutilate or alter a document or a thing relevant to an investigation;
- falsify a document or make a false document;
- direct, counsel or cause any person to take any of the above-mentioned actions;
- intentionally make a false or misleading oral or written statement;
- prevent a person from performing his/her duties under these Regulations.

In addition, the Regulations do not authorize an employee to disclose information covered by the lawyer-client privilege or revealing the content of deliberations of the Executive Council or any of its committees.

Annual Reports

The Ombudsman will submit an annual report to the Commissioner after each fiscal year. The report will include information regarding inquiries, disclosures,

[2] For the purpose of these Regulations, Commissioner means the Commissioner of the Public Service Commission.

investigations, recommendations and any systemic problems giving rise to wrongdoings. The Ombudsman may also include additional matters considered necessary.

On an annual basis, the Commissioner will report to the Minister responsible for the Public Service Commission. The latter will table this report in the House of Assembly.

Nova Scotia: *An Act to Amend Chapter 475 of the Revised Statutes, 1989, the Trade Union Act*; Bill 138, Assented to October 18, 2004

This Bill amends the *Trade Union Act* to replace the right to strike of police constables or officers and members of a police bargaining unit and the right to lock out of their employers with an interest arbitration procedure.

Where a conciliation officer has made a report to the Minister of Environment and Labour that he/she was unsuccessful in bringing about an agreement between the parties, the employer or the union must notify the other party in writing of its desire to submit the collective agreement to an interest-arbitration board composed of one person jointly selected by the parties or, if they cannot agree, appointed by the Minister. Alternatively, the parties may agree to a board of three persons composed of a representative from each party and a chair selected by them. If there is a failure to appoint a representative to the board or agree on a chair, the Minister will, on the application of one of the parties, make the appointment. The award of an interest-arbitration board is binding on all parties involved.

These amendments will come into force on a date to be announced by proclamation.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Human Resources and Skills Development Canada Web site at

http://www.hrsdc.gc.ca, *and using the A-Z index, select Developments in Labour Legislation in Canada.*

Publications Concerning Labour Statutes and Regulations

Main Volume:

Canada Labour Code Part II, 292 page binder

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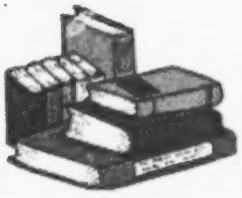

Employee Retention

Browell, Sue. **Staff Retention in a Week.** 2nd ed. London: Hodder & Stoughton, 2003.
HF5549.5 R58 B76 2003

This short guide begins with a discussion of staff retention as one of the most important influences in the success of an organization, focusing on the changing nature of work and organizations and on labour market and demographic issues. It examines reasons why some employees leave an organization and some stay, and offers assessments and measurements to identify the causes of staff turnover. Short- and long-term action plans for staff retention are profiled, with emphasis on the need to regularly review and assess these strategies. The book identifies who should have responsibility for employee retention and outlines their roles.

Frank, Fredric D., Richard P. Finnegan and Craig R. Taylor. **"The Race For Talent: Retaining and Engaging Workers in The 21st Century."** Human Resource Planning 27:3 (2004), pp. 12–25.

This American article provides an overview and evaluation of both traditional and recent innovative solutions to improve employee retention and engagement, and examines the critical role of the front-line leader and emerging role of the team member in retention and engagement.

Herman, Roger E., Thomas G. Olivo and Joyce L. Gioia. **Impending Crisis.** Winchester, VA: Oakhill Press, 2003.
HD5724 H47

This book opens with an examination of economic, demographic and technology trends which will contribute to a critical shortage of skilled workers in the United States of America by 2010 as predicted by the U.S. Bureau of Labor Statistics. These converging developments include the aging of the baby boomer wave, globalization, more frequent job turnover and longer working lives. The second half of the book presents strategic advice to employers to meet the challenge. Organizations should evaluate all the ways they function with a view to developing more efficient processes, recognizing that technology alone will not resolve the problem of too few workers. Human resource professionals should be

coached in developing an understanding of the strategy and operations of the organization to optimize their role in supporting a stable workforce. Employers must meet changing employee needs—for example, in life-work balance. High priority should be given to in-house corporate learning.

Phillips, Jack J. and Adele O. Connell. **Managing Employee Retention: A Strategic Accountability Approach.** Amsterdam; Boston: Butterworth-Heinemann, 2003.
HF5549.5 R58 P44

This practical guide offers managers proven strategies in retaining talented employees. Employee retention will be an issue of growing significance for most job groups during the current decade. Often costs of employee turnover are underestimated and the causes inadequately identified. Solutions to reduce turnover are sometimes mismatched with the cause, with unsatisfactory results. The authors demonstrate how to accurately cost turnover, identify its causes, and design and implement solutions targeted to specific needs. They explain how to maintain turnover within an acceptable range by developing tools to track turnover and alerts to signal when action is needed. Finally, metrics to measure the return on investment of retention solutions are provided.

Schweyer, Allan. **Talent Management Systems: Best Practices in Technology Solutions for Recruitment, Retention and Workforce Planning.** Toronto, John Wiley & Sons Canada, 2004.
HF5549 A27 S38

Talent management systems are Web-based technologies for the recruitment, selection, training and development, optimal deployment, and retention of an organization's workforce. This book describes technologies and methods which offer proven and emerging best practices in talent management. Many of the recommended approaches are basic requirements for organizations of almost every size and type. As the value of organizations is based increasingly on the value of their human capital in a tightening labour market, talent management systems will be used as essential strategic tools for the creation of value from knowledge.

NOTES

1. *For other available references in French language only, see the French version of the Workplace Gazette/Gazette du travail.*
2. *Employees of Social Development Canada and Human Resources and Skills Development Canada can borrow these items from the Departmental Library. Others can borrow them through their own library.*

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YESTERDAY and TODAY

Suzanne Payette
Workplace Information Directorate
Labour Program, Human Resources and Development Canada

Contract Duration

Fifty Years Ago...

It was first noticed that contract duration was increasing. In fact, in 1954, close to one fifth of current collective agreements included a contract duration that was greater than 12 months. Among these 109 agreements, 75 per cent had a duration of two years and 10 per cent reported a duration of three years, the longest recorded. These longer term collective agreements were represented among all industries and regions.

It was also noticed that the longer the term of the agreement, the more likely that it would include a provision for adjusting wage rates during the life of the agreement. Also, the longer the term of the agreement, the more likely that more than one adjustment in wages was permitted, usually at the end of each year of the agreement.

For approximately 30 per cent of agreements, automatic increases or predetermined wage adjustments were included. For another 20 per cent of agreements, an open ended increase was included whereby bargaining would occur during the term of the agreement to determine the amount of the wage adjustment. Typically, at the end of the first year, notice to bargain wages was given or a wage re-opener provision would be triggered and the parties negotiated the amount of the wage increase. In some cases, the wage re-opener was allowable upon pre-determined conditions, such as fluctuations in the consumer price index or in the price of the product.

Today...

Average contract duration is approximately three years, with an average of 43.2 months in the private sector and 32 months in the public sector. During the 1999–2003 period, almost 40 per cent of private-sector agreements and almost 20 per cent of public-sector agreements reported a duration that was greater than 36 months. Collective agreements with a duration of greater than 36 months represent more than one third of agreements in the following sectors: Wholesale and Retail Trade, Transportation, Entertainment and Hospitality, Information and Culture, Manufacturing and Primary Industries.

Negotiated annual wage adjustments are included in almost all agreements. Approximately 15 per cent of agreements have cost-of-living allowance (COLA) clauses that automatically adjust wages based on a formula that is triggered by fluctuations in consumer price index. These increases can be lump-sum payment amounts or folded into general wage scales as permanent wage adjustments. COLA clauses are found mostly in the private sector manufacturing sector. Open ended increases or wage re-opener provisions represent less than 1.0 per cent of collective agreements.

For a detailed analysis of collective agreement duration, see the article on pages 26 to 37.

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